



# LEPELLE-NKUMPI LOCAL MUNICIPALITY

## 2015-16 ANNUAL REPORT

Compiled in terms of section 121 of the MFMA (NO.56 of 2003)

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*“Motho ke motho ka batho”*

Initial: Municipal Manager:

Initial: Mayor:

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## ACRONYMS

<b>AFS</b>	: Annual Financial Statements
<b>CAPEX</b>	: Capital Expenditure
<b>CDM</b>	: Capricorn District Municipality
<b>CDW</b>	: Community Development Workers
<b>CFO</b>	: Chief Financial Officer
<b>EEP</b>	: Employment Equity Plan
<b>EM</b>	: Executive Mayor
<b>EPWP</b>	: Expanded Public Works Programme
<b>FBW</b>	: Free Basic Water
<b>HRM</b>	: Human Resource Management
<b>HRD</b>	: Human Resource Development
<b>ICT</b>	: Information Communication Technology
<b>IDP</b>	: Integrated Development Plan
<b>ISDF</b>	: Integrated Spatial Development Framework
<b>KPA</b>	: Key Performance Area
<b>KPI</b>	: Key Performance Indicator
<b>LED</b>	: Local Economic Development
<b>LM</b>	: Local Municipality
<b>MFMA</b>	: Municipal Financial Management Act
<b>MIG</b>	: Municipal Infrastructure Grant
<b>MM</b>	: Municipal Manager
<b>LGMPMR</b>	: Local Government Municipal Performance Regulation
<b>PMS</b>	: Performance Management Systems
<b>SDBIP</b>	: Service Delivery and Budget Implementation Plan

**Vision**

“Be financially viable municipality, geared towards the improvement of quality of life of the people by providing sustainable services”.

**Mission**

“To effectively provide quality services and thus make a significant contribution to social and economic development of the community.

**Values**

Honesty  
 Transparency  
 Ubuntu  
 Consultation  
 Value for time and money  
 Access to information  
 Access to services

**Municipal Powers and Functions**

The provision and maintenance of child care facilities;	Administer cemeteries, funeral parlours and crematoria;
Development of local tourism;	Cleansing;
Municipal planning;	Control of public nuisances;
Municipal public transport;	Control of undertaking that sell liquor to the public;
Municipal public works;	Ensure the provision of facilities for the accommodation, care and burial of animals;
Storm water management systems;	Fencing and fences;
Administer trading regulations;	Licensing of dogs;
Provision and maintenance of water and sanitation;	Licensing and control of undertakings that sell food to the public;
Administer billboards and display of advertisement in public areas	Administer and maintenance of local amenities;

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Development and maintenance of local sport facilities;	Development and maintenance of municipal parks and recreation;
Develop and administer markets;	Regulate noise pollution;
Administer Pounds;	Administer street trading;
Development and maintenance of public places;	Provision of municipal health services.
Refuse removal, refuse dumps and solid waste disposal;	

The division of powers and functions between the district municipalities and local municipalities were adjusted by Limpopo MEC for Co-Operative Governance in terms of Sections 16 and 85 of the Municipal Structures Act, 1998 and published in Provincial Gazette No. 878, dated 07 March 2003. The following district municipal powers and functions were transferred to Lepelle-Nkumpi Municipality:

Solid waste disposal sites;	Promotion of local tourism; and
Municipal roads;	Municipal public works relating to any of the above functions or any other functions assigned to the local municipality.
Cemeteries and crematoria;	

Lepelle-Nkumpi is one of the five local municipalities within the Capricorn District Municipality in Limpopo Province and is located in the southern part of Capricorn District. The municipality is pre-dominantly rural with a population of approximately 230 350 people. It covers 3,454.78 km<sup>2</sup>, which represents 16% of the District's total land area and is divided into 29 wards which comprise a total of 93 settlements. About 95% of its land falls under the jurisdiction of Traditional Authorities.

Initial: Municipal Manager:

Initial: Mayor:

## Mayor and Municipal Manager's Foreword

### MAYOR'S FOREWORD

Please allow me, on behalf of the newly elected public representatives of Lepelle-Nkumpi to thank the residents of our municipality for their participation in the election of 3 August and the confidence they placed in us.

We are thankful for the significant turnout of voters on Election Day. This augurs well for the future representative democracy and accountability in our municipality.

At the outset I want to thank and congratulate the Independent Electoral Commission for its sterling work in organising and running the local government elections in an effective and professional manner. I trust that all councillors will join me in thanking the IEC, as well as the Electoral Officer of Lepelle-Nkumpi and all staff members for the way in which the process was conducted.

I would like to congratulate the Honourable Speaker, on his election to this high office. Your election is proof of the confidence that this Council has in your abilities and leadership. The Office of the Speaker is an essential element of our system of democratic local governance. It provides a continuous link between council and the electorate throughout the term of office.

Our best wishes also go to the newly elected Chief Whip of Council who will continue to play a critical role towards the effective functioning of this institution.

I also want to congratulate each and every member who has been elected as a councillor either as a ward or PR representative.

**The people have spoken. 67, 15% of our electorate gave ANC the mandate to govern this municipality for the coming five years. They want us to build better communities together advance people's power in every community.** Over the past fifteen years we saw significant progress under the direction of my predecessors, Mayors Chego, Masoga and Phaahla respectively that served our municipality with such distinction.

We believe that an in-depth assessment of our achievements over the past fifteen years will reveal remarkable record of success. Under their stewardship:

- We successfully created a united municipality from disparate administrations and councils,

- We established an exemplary record of efficient and accountable administration with a strong community participation in the decision making process,
- We extended the coverage of residents receiving basic services to the point where almost 92% of our residents have access to reliable electricity

These are living monuments of the work done during their tenure. I am proud to have been a member of their team and to associate myself with their legacy and track record. Our task as new generation of leadership will be to build on their legacy and take the achievements of the municipality to a higher level.

Some of our people still do not have access to proper basic services and live in abject poverty; more than two thirds of our households require grants from the government to survive from one month to the next; and our unemployment rate is unsustainably high.

In addition, we are still dealing with the scourge of HIV/AIDS, as well as TB and other curable diseases. These and the social ills of crime are a reflection of the poverty of our residents.

As local government, in tandem with provincial and national government, we can only do so much; we thus need active contribution and efforts of all residents and stakeholders, especially those who have the means, to address these challenges, because it is only together that we can build better communities.

As you are all aware, the 3 August 2016 local Government Elections were highly contested, the elections are now over and it is now time to work together as different political parties in Council to deliver on our Constitutional mandate in order to advance people's power in every community within Lepelle-Nkumpi. It is time to put our differences aside and unite in the service of the residents of our great municipality. Lepelle-Nkumpi deserves only the best efforts from everybody, whether they are in the political leadership, in management, in all positions within our administration and across the spectrum of our partners in business, labour, the faith-based community and civil society.

I want to express, at the outset of my tenure as Mayor, my willingness to work with all political parties and stakeholders. This will enable us to find workable solutions for the diverse range of development facing Lepelle-Nkumpi as we move towards our vision of making our municipality better.

We have every intention to serve the people of Lepelle-Nkumpi guided by the vision of the ANC, to create a non-racial, non-sexist, democratic and prosperous South Africa, free of the ills of the injustices of the past.

We want to give the people of Lepelle-Nkumpi the assurance that we will not let up in our efforts to help create a better Lepelle-Nkumpi through the building of better communities.

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As we said in our Local Government Elections Manifesto during our door to door election campaign, we had the opportunity of direct contact with people, receiving feedback on progress we are making. We will spare no time to ensure that what we and the people of Lepelle-Nkumpi have said during our elections campaign are realised.

I am humbled and honoured to serve this great municipality into this exciting new era, this as we enter the second decade of the 21<sup>st</sup> century.

Lepelle-Nkumpi is poised for an exciting new chapter in its history. We as elected representatives are presented with the opportunity to help shape the future of our municipality.

I am confident that we will be up to this task and that we will not disappoint the trust placed in us by the people of Lepelle-Nkumpi.

Working together with our people we can build better communities. A “business-as-usual” approach with regard to service delivery will no longer be tolerated. A key priority is building sustainable human settlements, which encompasses not only housing provision, but a full basket of services.

Together with our Traditional leadership and our communities we will change and transform the face of Lebowakgomo Township and our villages. This will require us to take stock of the provision of all services and amenities within Lepelle-Nkumpi and to relook our Spatial Development Planning in order to ensure a consistent approach to service delivery. Strategic land will be identified following relevant legislations to ensure the establishment of sustainable human settlements.

Lepelle-Nkumpi is a developmental municipality that will continuously strives to improve the quality of life of its community, and as such we subscribe to Batho Pele principles.

The Lepelle-Nkumpi Municipality, like all municipalities throughout the country is experiencing financial challenges. As we work together to advance people’s power in every community, we want to assure all residents that we are turning the corner. We have the plans, we have the people, and we have the national and provincial support to confront our challenges. We want you, the people, to work together with us in Council as we advance people’s power in every community.

We have introduced a debt relief programme and our communities should take advantage of this programme where possible.

As we advance people’s power in every community, we will ensure that this institution is free from fraud and corruption at all levels. In this regard the municipality will strengthen the implementation of anti-fraud and anti-corruption strategies. We have experienced some unfortunate incidents which have resulted in litigation on supply chain management issues against the Municipality, and we will correct and address this.

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Fraud and corruption will be dealt with harshly at all levels and we call upon all those with information on fraud and corruption to report these to the authorities. In doing so, we call on people to be disciplined. We cannot allow a situation where people become “DJs on corruption”. Don’t just scream corruption without having proper substantiation. Those who are “DJs on corruption” should actually be arrested by the authorities. We are committed to advance people’s power in every community and by making unsubstantiated claims; we sometimes drive much-needed investment away.

The Office of the Mayor is working in close collaboration with the Anti-fraud and Anti-corruption Hotlines to receive any fraud and corruption-related matters, including whistle blowers.

As we work together to advance the people’s power in every community, we do not want to forget our most valuable resource, our human capital. In this regard our relationship with organized labour will be nurtured and strengthened.

We call upon SAMWU and IMATU to help us to ensure that all officials become advocates and agents of social change and assist us in building a philosophy and culture that puts people, development and social change at the top of our minds.

In the words of President Mandela: Open Quote

**“Lead from the front, but do not leave your base behind. Lead from the back and let others believe they are in front”**

Close Quote.

Let us cherish this responsibility that has been given to us, as a collective, let us prioritize our people and let us work together. Let our people come first in everything we do, let us work hard and absorb the pain in order to be remembered for what we did. We are here to serve all the people of Lepelle-Nkumpi. Working together we can advance the people’s power in every community!

I THANK YOU

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**Municipal Mayor**  
Her Worship Sibanda-Kekana NG

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**Date**

Initial: Municipal Manager:

Initial: Mayor:

## MUNICIPAL MANAGER'S OVERVIEW

The year 2015/16 has seen a great degree of professionalism and the strengthening of our administrative impetus but there are still major challenges in our endeavour to make a reality the right of all citizens under our municipal jurisdiction to access services.

Building and strengthening the supply chain management unit, Performance Management unit and Project Management unit will improve the work of the municipality, giving support to activities of the Accounting Officer. This report records the progress made by the municipality in fulfilling its objectives as reflected in the IDP, Budget and Service delivery and budget implementation plan. It also reflects on challenges and priorities for the 2015/16 financial year.

The year 2015/16 was particularly significant for the Municipality. Considerable improvement and progress has been achieved in the services, functions and activities of the municipality. Making all these achievements possible has been the unremitting attention to effective and efficient administrative support that the management team and staff provided.

This annual Report sets out the details of what was done by the municipality during the financial year 2015/16, of utmost vitality the report contains the Audited Annual Financial Statements, Audit committee and Risk committee report, Auditor-General's Audit report and other related reports.

A summary of the report can also be included in the report. As Lepelle-nkumpi municipality we have consolidated our programmes however our institutional arrangements need further strengthening to ensure long-term sustainability. I would like to thank the Mayor, the Executive committee, Council and the staff for their contribution in making 2015/16 a success.

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**Acting Municipal Manager**

**Mrs Ngoveni R**

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**Date**

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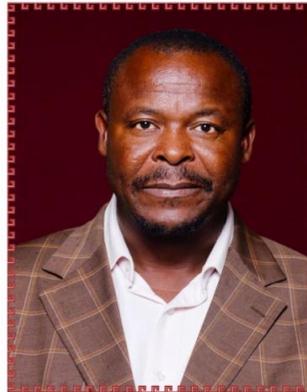
Initial: Municipal Manager:

Initial: Mayor:

## PMT MEMBERS



**Cllr. Sibanda-Kekana NG**  
MAYOR



**Cllr. Ntsoane PB**  
SPEAKER



**Cllr. Thobejane TA**  
CHIEF WHIP

## PORTFOLIO CHAIRPERSONS / EXCO



**Cllr. Mogashoa A**  
Corporate Services  
Cell: 082 660 2794  
Ward 22



**Cllr. Ramokolo MM**  
Budget and Treasury  
Cell: 071 348 4502  
PR



**Cllr. Makgati MA**  
Community Services  
Cell: 078 381 0928  
Ward 25



**Cllr. Mphahlele RL**  
Land, LED, Planning and Housing  
Cell: 071 498 7661  
Ward 30



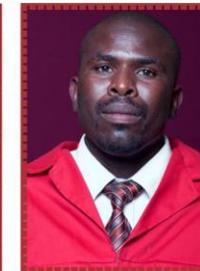
**Cllr. Mphofela SM**  
Water and Sanitation  
Cell: 079 293 5159  
Ward 29



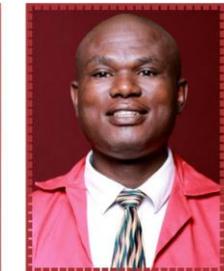
**Cllr. Themane MD**  
Roads, Transport and Electricity  
Cell: 082 083 6884  
PR



**Cllr. Tsela FD**  
Health and Social Development  
Cell: 082 493 1060  
PR



**Cllr. Maluleka HD**  
Sports and Recreation  
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PR



**Cllr. Mphahlele MTR**  
Chairperson without Portfolio  
Cell: 072 258 4348  
PR



Municipal Manager



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Executive Manager: Corporate Services

Initial: Municipal Manager:

Initial: Mayor:

**POPULATION AND ENVIRONMENTAL OVERVIEW**

**POPULATION FIGURES**

According to the Stats SA Census 2011 results, the municipality has an estimated population of 230 350 people with a total of 59 682 households and an average household size of 3.9.

Table.1. Demographics

Municipality	Population			No. of Households			Average Household Size		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
Lepelle-Nkumpi Local Municipality	234926	227 970	230 350	44 397	51 245	59 682	5.2	4.4	3.9

Data Source: Census 2011

The population of Lepelle-Nkumpi has grown by 0.1, second fastest after Polokwane, during the last ten years after a sharp decline between 1996 and 2001 when its growth was slower than the rest in the District. The municipality is the second largest in the District with 18% of District population whereas Polokwane Municipality is the biggest and constitutes about 50% of the District population as depicted by the table here below.

Table: Population Growth Rate-1996, 2001 and 2011

Municipality	Population				
	1996	2001	% Change	2011	% Change
Lepelle Nkumpi Local Municipality	234926	227 970	-0.6	230 350	0.1

Data Source: Census 2011

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There are 29 wards in the municipality with an average size of 8000 people. Wards 22, 15 and 26 are actually the largest with a population size of more than 10000 each.

Table.3: Population distribution per ward

Ward No	Population	Percentage	Ward No	Population	Percentage
1	8 021	3.48%	2	8 697	3.78%
3	7 564	3.28%	4	6 758	2.93%
5	7 066	3.07%	6	7 940	3.45%
7	8 120	3.53%	8	9 656	4.19%
9	8 093	3.51%	10	5 763	2.50%
11	7 031	3.05%	12	6 279	2.73%
13	7 312	3.17%	14	8 011	3.48%
15	10 940	4.75%	16	8 816	3.83%
17	9 710	4.22%	18	6 079	2.64%
19	9 843	4.27%	20	7 708	3.35%
21	7 272	3.16%	22	10 416	4.52%
23	7 604	3.30%	24	5 704	2.48%
25	8 079	3.51%	26	11 302	4.91%

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Ward No	Population	Percentage	Ward No	Population	Percentage
27	7 750	3.36%	28	6 794	2.95%
29	6 022	2.61%			
30	Information not provided by stats SA				
Total	230 350	100%			

Lepelle-Nkumpi Population by Language per Ward

Ward	Afrikaans	English	IsiNdebele	IsiXhosa	IsiZulu	Sepedi	Sesotho	Setswana	Sign language	SiSwati	Tshivenda	Xitsonga	Other	Not applicable	Grand Total
1	11	35	413	10	106	7285	15	35	1	8	14	80	10	-	8021
2	18	46	2749	2	56	5522	73	24	11	1	16	126	13	40	8697
3	6	47	1580	6	44	5341	14	22	38	1	1	454	9	-	7564
4	7	39	1240	3	52	4746	80	53	5	8	3	315	26	181	6758
5	12	34	166	8	41	6002	212	26	17	2	5	530	11	-	7066
6	10	36	859	1	64	6157	52	46	4	6	116	428	157	5	7940

Initial: Municipal Manager:

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Ward	Afrikaans	English	IsiNdebele	IsiXhosa	IsiZulu	Sepedi	Sesotho	Setswana	Sign language	SiSwati	Tshivenda	Xitsonga	Other	Not applicable	Grand Total
7	9	12	241	15	38	6561	17	23	2	7	1	1153	41	-	8120
8	25	79	387	35	76	7511	195	59	13	10	64	721	257	226	9656
9	97	69	310	11	36	6431	23	36	3	29	17	820	202	10	8093
10	62	60	227	14	24	4282	146	18	8	19	49	720	134	-	5763
11	11	31	326	23	18	5078	24	27	8	3	40	1390	55	-	7032
12	16	58	145	9	129	5588	3	34	14	1	6	160	116	-	6279
13	20	103	1007	15	87	5578	55	25	7	2	29	308	78	-	7313
14	20	49	95	8	49	6969	75	41	12	15	24	628	26	-	8011
15	25	137	191	26	158	9683	106	69	29	26	103	180	195	11	10938
16	27	606	113	30	98	7348	68	70	91	24	35	132	174	-	8816
17	37	106	40	39	125	8017	85	103	4	28	62	128	155	782	9710
18	9	108	40	23	138	4837	94	84	-	24	40	49	76	556	6078
19	14	42	37	4	72	9608	4	26	2	-	3	10	7	13	9844
20	7	27	45	6	53	7457	4	23	3	1	7	41	33	-	7708

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Ward	Afrikaans	English	IsiNdebele	IsiXhosa	IsiZulu	Sepedi	Sesotho	Setswana	Sign language	SiSwati	Tshivenda	Xitsonga	Other	Not applicable	Grand Total
21	11	33	15	11	53	7067	13	12	15	1	3	13	24	-	7272
22	24	81	52	11	95	9989	5	48	3	-	7	16	85	-	10415
23	9	26	42	3	102	7343	3	22	20	2	-	9	22	-	7604
24	13	18	37	1	92	5474	1	14	16	-	-	1	36	-	5704
25	17	20	31	4	90	7778	18	21	3	4	6	3	28	57	8079
26	11	20	52	16	89	10856	13	24	13	1	21	129	55	-	11302
27	8	19	35	2	38	7544	8	32	10	1	-	11	32	11	7750
28	10	34	15	1	71	6521	-	21	11	-	8	76	26	-	6794
29	5	11	22	6	51	5873	11	18	7	-	1	2	15	-	6022
30	Information not provided														
Total	549	1984	10513	344	2145	198445	1418	1052	372	226	680	8632	2098	1892	230350

Data Source: Census 2011

Initial: Municipal Manager:

Initial: Mayor:

The table here above shows that the predominant language in the area is Sepedi that is spoken by 86% of the total population, followed by IsiNdebele and XiTsonga that are spoken by 4,5% and 3,7% respectively.

### AGE DISTRIBUTION

The dependency ratio, which covers people aged below 15 and above 64, is very high at 44% of total population.

Table: Dependency Ratio

Ages 0-14			Ages 15-34			Ages 35-64			Ages 65+		
1996	2001	2011	1996	2001	2011	1996	2001	2011	1996	2001	2011
101 498	93 712	82 917	78666	73764	75635	39982	45181	53852	14780	15 313	17 946
44%	41%	36%	33%	32%	33%	17%	20%	23%	6%	7%	8%
234926	227 970	230 350	234926	227 970	230 350	234926	227 970	230 350	234926	227 970	230 350

Data Source: Census 2011

Table.5: Population by Age and Gender, 1996, 2001 and 2011

	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Ages 0-14	50312 (49.57%)	51186 (50.43%)	101498	46554 (49.67%)	47158 (50.33%)	93712	41766 (50.38%)	41151 (49.62%)	82917

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Ages 15-34	35115 (44.63%)	43551 (55.37%)	78666	33470 (45.37%)	40294 (54.63%)	73764	36412 (48.14%)	39223 (51.86%)	75635
Ages 35-64	14824 (37.07%)	25158 (62.93%)	39982	17185 (38%)	27996 (62%)	45181	20908 (38.82%)	32944 (61.18%)	53852
Ages 65+	4500 (30.44%)	10280 (69.56%)	14780	4867 (31.8%)	10446 (68.2%)	15 313	5758 (32%)	12188 (68%)	17 946
Total	104751	130175	234926	102076	125894	227 970	104845	125505	230 350
%	44.59	55.41		44.78	55.22		45.52	54.48	

Data Source: Statistics S.A.

The population of Lepelle-Nkumpi is dominated by young people of below 35 years old at 69%.

### LEVEL OF EDUCATION

According to Census 2011, there is only 33% with matric and above qualifications, among people 20 years and older. Otherwise 67% has no matric- having left school at primary or secondary levels. There is an alarmingly high percentage of females without schooling or with minimal education qualifications in the municipality and the District alike, even though there are still more women with matric and post matric qualifications.

Table: Distribution of the population aged 20 years and older by highest level of education attained and sex- 1996, 2001 and 2011

Level of education	Municipality	1996			2001			2011		
		Males	Females	Total	Males	Females	Total	Males	Females	Total

Initial: Municipal Manager:

Initial: Mayor:

Level of education	Municipality	1996			2001			2011		
		Males	Females	Total	Males	Females	Total	Males	Females	Total
No schooling	Lepelle-Nkumpi	9 701	22 657	32 357	11 031	24 524	35 554	6 246	15 602	21 848
Some primary	Lepelle-Nkumpi	4 245	5 749	9 994	5 390	6 795	10 670	5 804	7 558	13 361
Completed primary	Lepelle-Nkumpi	1 974	3 100	5 075	2 310	2 940	5 250	2 021	2 548	4 569
Some secondary	Lepelle-Nkumpi	11 136	14 661	25 797	11 538	14 608	26 145	17 815	20 995	38 810
Grade 12	Lepelle-Nkumpi	7 525	9 970	17 495	6 214	9 259	15 474	10 717	15 782	26 499
Higher	Lepelle-Nkumpi	3 963	4 474	8 438	3 200	4 714	7 914	5 088	7 740	12 829
Total	Lepelle-Nkumpi	38 544	60 611	99 155	39 683	62 840	102 523	47 692	70 224	117 916

Data Source: Statistics S.A.

### LOCAL SKILLS BASE

Literacy rates have increased over the years, providing labour resources that can take up employment opportunities above basic elementary occupations. The increased literacy levels may also, to some extent, have contributed to the increased employment rates in the region. The skills base for municipality is derived from local FET College, Nursing College, on-the-job training in the mines and those who go out to acquire qualifications outside the municipality, especially within the District and in Gauteng Province.

### INCOME DISTRIBUTION

Limpopo Province is one of the poorest provinces in the country, with approximately 14% of households having no form of income, compared to the National level where this figure stands at 15%. Lepelle-Nkumpi Municipality has very high level of poverty, with more than 15% of households without any form of income as shown in the table below.

Initial: Municipal Manager:

Initial: Mayor:

Table: Percentage annual household income distribution for Lepelle-Nkumpi, 2001, 2007 & 2011

Year	No income	R1-R4800	R4801-R9600	R9601-R19600	R19601-R38200	R38201-R76400	R76401-R153800	R153801 +
2001	32%	11%	25%	14%	8%	6%	3%	1%
2007	11%	8%	13%	27%	21%	11%	4%	3%
2011	15%	6%	12%	25%	21%	8%	6%	7%

Data Source: Census 2011

Table: Annual Households Income Distribution per Ward

Ward	No income	R 1 – R 4800	R 4801 – R 9600	R 9601 – R 19 600	R 19 601 – R 38 200	R 38 201 – R 76 400	R 76 401 – R 153 800	R 153 801 – R 307 600	R 307 601 – R 614 400	R 614 001 – R 1 228 800	R 1 228 801 – R 2 457 600	R 2 457 601 or more	Grand Total
Ward 1	381	130	296	558	482	89	44	22	9	1	1	1	2016
Ward 2	292	129	277	592	547	123	51	37	14	2	-	-	2065
Ward 3	373	130	227	539	474	110	33	25	9	-	1	-	1921
Ward 4	307	97	206	538	392	114	88	58	13	3	1	2	1818
Ward 5	328	130	230	446	417	103	34	27	13	1	-	-	1730

Initial: Municipal Manager:

Initial: Mayor:

Ward	No income	R 1 – R 4800	R 4801 – R 9600	R 9601 – R 19 600	R 19 601 – R 38 200	R 38 201 – R 76 400	R 76 401 – R 153 800	R 153 801 – R 307 600	R 307 601 – R 614 400	R 614 001 – R 1 228 800	R 1 228 801 – R 2 457 600	R 2 457 601 or more	Grand Total
Ward 6	361	173	281	510	393	117	51	45	19	2	1	1	1954
Ward 7	328	134	291	624	550	144	48	27	6	-	1	1	2153
Ward 8	546	172	332	544	487	242	302	175	70	10	4	3	2886
Ward 9	285	118	229	716	573	179	75	61	14	8	1	1	2261
Ward 10	268	112	191	430	365	151	48	18	12	1	-	-	1596
Ward 11	212	122	235	555	505	125	41	20	4	-	2	-	1821
Ward 12	299	83	192	476	445	137	90	45	26	1	4	3	1800
Ward 13	356	102	181	426	417	202	112	46	29	5	-	-	1876
Ward 14	299	128	227	650	526	206	109	46	14	1	5	1	2212
Ward 15	340	111	164	454	347	308	639	675	419	95	13	15	3581
Ward 16	406	124	187	348	319	257	279	327	158	24	8	8	2445
Ward 17	433	103	206	374	380	256	349	335	141	26	12	5	2620
Ward 18	178	33	40	208	165	207	342	304	151	22	8	8	1666

Initial: Municipal Manager:

Initial: Mayor:

Ward	No income	R 1 – R 4800	R 4801 – R 9600	R 9601 – R 19 600	R 19 601 – R 38 200	R 38 201 – R 76 400	R 76 401 – R 153 800	R 153 801 – R 307 600	R 307 601 – R 614 400	R 614 001 – R 1 228 800	R 1 228 801 – R 2 457 600	R 2 457 601 or more	Grand Total
Ward 19	289	150	285	641	587	166	87	39	13	3	3	1	2264
Ward 20	288	147	282	482	445	119	54	35	15	2	1	-	1870
Ward 21	268	101	264	443	421	129	75	30	11	1	-	1	1744
Ward 22	388	175	372	677	537	207	117	60	20	2	-	1	2556
Ward 23	208	77	250	552	458	147	91	67	34	6	-	2	1891
Ward 24	200	70	197	370	310	80	34	22	7	1	1	-	1293
Ward 25	311	128	290	506	397	102	70	27	11	1	1	6	1850
Ward 26	360	161	322	616	564	275	107	33	18	3	5	-	2463
Ward 27	357	165	287	449	339	165	89	39	17	1	1	1	1911
Ward 28	257	121	278	566	434	106	53	22	7	-	-	-	1843
Ward 29	279	144	256	444	328	56	26	26	11	2	-	5	1576
ward 30	Information not provided												

Initial: Municipal Manager:

Initial: Mayor:

Ward	No income	R 1 – R 4800	R 4801 – R 9600	R 9601 – R 19 600	R 19 601 – R 38 200	R 38 201 – R 76 400	R 76 401 – R 153 800	R 153 801 – R 307 600	R 307 601 – R 614 400	R 614 001 – R 1 228 800	R 1 228 801 – R 2 457 600	R 2 457 601 or more	Grand Total
Total	9198	3570	7074	14733	12602	4623	3538	2691	1286	224	76	69	59682

Data Source: Census 2011

Table: Percentage annual household income distribution, S.A, Limpopo, Capricorn and Lepelle-Nkumpi, 2011

	S.A	Limpopo	Capricorn District	Lepelle-Nkumpi
No income	15%	14%	14%	15%
R 1 - R 4800	4%	6%	5%	6%
R 4801 - R 9600	7%	12%	10%	12%
R 9601 - R 19 600	17%	23%	23%	25%
R 19 601 - R 38 200	19%	21%	21%	21%
R 38 201 - R 76 400	13%	10%	10%	8%
R 76 401 - R 153 800	9%	6%	7%	6%
R153 801 and more	15%	8%	10%	7%

Data Source: Census 2011

Initial: Municipal Manager:

Initial: Mayor:

An analysis on Digital Spatial Boundaries from Census 2011 shows that the high income earners of R153801 and above in the municipality are concentrated mostly in the Township of Lebowakgomo, which is the only pure urban area within the municipality.

## EMPLOYMENT PROFILE

Table: Employment status of National, Province, District and LNM

	South Africa		Limpopo Province		Capricorn DM		Lepelle-Nkumpi LM	
Year	2001	2011	2001	2011	2001	2011	2001	2011
Employed	58%	70%	51%	61%	50%	63%	39%	52%
Unemployed	42%	30%	49%	39%	50%	37%	61%	48%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Data Source: Census 2011

Table: Employment profile per ward, 2011

Ward Name	EAP 2011	Employed 2011	Unemployed 2011	Total
Ward 1	765	38%	62%	100%
Ward 2	1 052	51%	49%	100%
Ward 3	788	38%	62%	100%
Ward 4	1 142	41%	59%	100%
Ward 5	977	27%	73%	100%

Initial: Municipal Manager:

Initial: Mayor:

Ward Name	EAP 2011	Employed 2011	Unemployed 2011	Total
Ward 6	1 307	37%	63%	100%
Ward 7	1 735	39%	61%	100%
Ward 8	2 422	68%	32%	100%
Ward 9	2 296	50%	50%	100%
Ward 10	1 342	58%	42%	100%
Ward 11	1 251	51%	49%	100%
Ward 12	1 604	47%	53%	100%
Ward 13	2 326	45%	55%	100%
Ward 14	1 808	58%	42%	100%
Ward 15	5 677	77%	23%	100%
Ward 16	3 474	69%	31%	100%
Ward 17	3 985	62%	38%	100%
Ward 18	2 285	78%	22%	100%
Ward 19	1 661	32%	68%	100%
Ward 20	1 244	41%	59%	100%
Ward 21	1 748	29%	71%	100%

Initial: Municipal Manager:

Initial: Mayor:

Ward Name	EAP 2011	Employed 2011	Unemployed 2011	Total
Ward 22	2 140	37%	63%	100%
Ward 23	1 508	39%	61%	100%
Ward 24	773	34%	66%	100%
Ward 25	1 367	36%	64%	100%
Ward 26	2 924	38%	62%	100%
Ward 27	1 296	49%	51%	100%
Ward 28	1 413	49%	51%	100%
Ward 29	744	36%	64%	100%
ward 30	Information not provided			
Total	53 054	52%	48%	100%

Source: Stats SA: Census 2011

Initial: Municipal Manager:

Initial: Mayor:

Table: Employment status by gender and population aged between 15 and 64 years by -1996, 2001 and 2011

Data Source: Census

Tables above indicate unemployment in the even though is a 13% 2001's 61%.This higher than that of and the Republic.

	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Ages 15-34	5586	9125	14711	9694	14721	24415	7061	8959	16020
Ages 35-64	3615	6443	10058	5538	8337	13875	3583	5938	9521
Total	9201	15568	24769	1523 2	23058	38290	10644	14897	25541
%	37.1	62.9	100	39.8	60.2	100	41.7	58.3	100

2011

a high rate of municipal area (48%) improvement from unemployment rate is the District, Province

Table: Employment Sectors

Sectors	Labour Force		
	2007		2011
Agriculture; hunting; forestry and fishing	598	2.17%	3%
Mining and quarrying	1003	3.65%	8%
Manufacturing	3488	12.69%	7%
Electricity; gas and water supply	380	1.38%	1%
Construction	2441	8.88%	9%

Initial: Municipal Manager:

Initial: Mayor:

Wholesale and retail trade	3609	13.13%	18%
Transport; storage and communication	826	3%	2%
Financial; insurance; real estate and business services	1598	5.81%	5%
Community; social and personal services	8066	29.35%	19%
Government And Community	-	-	28%
Other and not adequately defined	1812	6.59%	-
Unspecified	3657	13.3%	-
Total	27478	100%	100%

Data Source: Census 2011

The highest employment sectors in Lepelle-Nkumpi are government, community and retail sectors which together contribute 65% of employment.

### PEOPLE WITH DISABILITIES

Table B.5 indicates the number of people with disabilities in the municipal area. The majority of disabilities relates to physical body.

Table: Types of Disabilities

	Communication	Hearing	Remembering and concentration	Seeing	Self care	Walking or climbing stairs
No difficulty	205200	206436	200492	197963	178830	205296
Some difficulty	3244	4187	6115	11892	4736	4711

Initial: Municipal Manager:

Initial: Mayor:

A lot of difficulty	1046	778	2056	1679	1750	1368
Cannot do at all	2029	555	2431	573	8560	1628
Do not know	491	223	758	143	1577	339
Cannot yet be determined	11193	11158	12233	11410	28018	10899
Unspecified	5254	5121	4372	4798	4987	4217
Not applicable	1892	1892	1892	1892	1892	1892
Grand Total	230350	230350	230350	230350	230350	230350

Data Source: Census 2011

### Strategic Development Area

There are four SDA's in the municipality identified as follow, without any order of significance:

SDA 1: Area between Mashite and Makotse which Lebowakgomo, Mamaolo and Seleteng

SDA 2: Area between in Mogoto and Magatle which includes Moletlane and Sekgophokgophong

SDA 3: Area of Ga-Mathabatha

SDA 4: Mafefe Area

The SDF is aligned to the NSDP, PSDF and District SDF and requires review so that it can align to the LEGDS. Municipality further uses the approved LUMS to guide actual land uses.

The poor revenue base and none collection makes the municipality 80% dependent on grants. Plans are underway to expand revenue base through collection in identified rural village, starting with property rates, water and refuse removal. The challenge has also been boycott of payment of services by a certain sector of the residents of Lebowakgomo Township, which is the only area where rates are being collected.

Initial: Municipal Manager:

Initial: Mayor:

### Supply Chain Management

The municipality is implementing supply chain management policy as prescribed by MFMA. An SCM unit has been established and bid committees also appointed. The SCM policy is reviewed annually to align with the new legislative framework and the changing needs of the municipality.

Some of the challenges with respect to SCM processes at Lepelle-Nkumpi are delays that are a result of uninformed budgets from user departments that do not get favourable quotes from service providers. Also some suppliers commit to contracts that they are unable to honour.

### Assets Management

The municipality keeps assets register which is GRAP compliant. The assets management policy and procedures which encompass the asset disposal have been developed and are reviewed on an annual basis. Asset management and disposal committees have been appointed to ensure that there is prompt disposal of redundant assets.

### Information and Communication Technology

An ICT Unit has been established to effectively support and coordinates the municipality's information management systems and technology needs. The municipality has implemented the following ICT systems for the purpose of enhancing its institutional capacity;

E-Mail	Website
Internet and intranet	Disaster Recovery Plan
Wireless Technology Network	Financial Management System
ICT Kiosk, in the Library for Community use	Disaster Recovery Switching Centre
Customer Care Call Centre	EnviroRac

### Code of Conduct

The code of conduct for councillors is as per the prescription of the Municipal Structures Act. Code of conduct for employees has been drawn and adopted deriving from the framework of the Municipal Systems Act 23 of 2000. It clarifies on the description of misconducts, processes to be followed and sanctions to be meted in attending to disciplinary procedures.

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Initial: Municipal Manager:

Initial: Mayor:

## **Occupational Health and Safety**

Municipality has a functional OHS unit and OHS Committee to look into issues of health and safety at the workplace in compliance with OHS Act 181 of 1983.

### **In-Depth analysis**

In-Depth Analysis and Key Findings

#### **Constraints**

Shortage of staff with 18% vacancy rate

Outdated employment equity plan

Women constitute 54% of the municipality's total population of 230350. However, in the staff composition of the municipality, female constitutes 40% of total staff and 36% of management.

Skills gap

Lack of electronic records / document management system

#### **Strengths and Opportunities**

Critical positions have been filled at senior management level and below

PMS is being implemented at senior management level

Management systems are established and functional.

#### **Cross-cutting issues**

Cross cutting issues refer to those issues, which require a multi-sectoral response and thus need to be considered by all departments

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Initial: Municipal Manager:

Initial: Mayor:

Lepelle-Nkumpi municipal programmes are approached, from planning to implementation, with greater caution for effective use of natural resources to benefit current population while being preserved for future generations. This is in line with the decisions of Kyoto Protocol, World Summit on Sustainable Development, Rio De Janeiro, and COP 17 among others.

### **Disaster Management**

Municipality has developed a Disaster Management Plan in 2013. The District Municipality is the one with powers and functions on Disaster Management. However, according to National Disaster Management Framework, there are eight requirements that must be applied and documented by all spheres of government. These are;

Use disaster risk assessment findings to focus planning efforts

Establish an informed multidisciplinary team with capacity to address the disaster risk and identify a primary entity to facilitate the initiative

Actively involve communities or groups at risk

Address multiple vulnerabilities wherever possible

Plan for changing risk conditions and uncertainty, including the effects of climate variability

Apply the precautionary principle to avoid inadvertently increasing disaster risk

Avoid unintended consequences that undermine risk avoidance behaviour and ownership of disaster risk

Establish clear goals and targets for disaster reduction initiatives, and link monitoring and evaluation criteria to initial disaster risk assessment findings

Capricorn District Municipality has, in accordance with Chapter 5 of Disaster Management Act, established a Disaster Management Centres through the whole of its area, including one in Lepelle-Nkumpi. It provides for guidance in assessment, prevention and reduction of risk of disasters. Through this the District provides support and guidance to Lepelle-Nkumpi in the event of a disaster occurring or threatening to occur. The centre is equipped with the necessary equipment and personnel in order to deal promptly with disasters. The challenge is that the municipal area is vast with settlements of small populations scattered throughout. This makes it difficult to respond to disaster as quickly as desired by the National Disaster Management Framework.

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Initial: Municipal Manager:

Initial: Mayor:

Poverty and lack of basic services are the main contributors to the high vulnerability of people and are higher priorities for all municipalities in Capricorn. Appropriate poverty alleviation programmes, health, water, road infrastructure, telecommunication programme are required to reduce the vulnerability status of communities and to help build community resilience. High crime rate in the area also requires appropriate prevention programmes.

#### Poverty Alleviation

The high levels of poverty are apparent as shown by the statistics from Census 2011 where about 79% of households have an income of less than R3200 per month (the household subsistence level) or no income at all. Poverty alleviation is a central issue for the municipality and is addressed, within the available resources, through various IDP programmes and projects. Examples of these include the municipality’s LED programme, EPWP, War on Poverty, community work’s programme, labour intensive infrastructure and social programmes and provision of free basic services to qualifying households.

The following Monthly Free Basic Services have been provided to households;

Free Basic Service	Free Basic Water	Free Basic Electricity	Free Basic Sanitation	Refuse Removal
Households	51430	12087	430	3800

An indigent policy was approved by council with an intention to provide subsidy to households that earn R3500.00 per month to access basic services. This guided the compilation and review of the indigent register by council in 2015.

#### Gender Equity

Gender inequalities exist in the social, economic, physical and institutional environment of the municipality. Women constitute 54.48% of the population (Census 2011), yet there is poor representation of women in community structures;

Women constitute 47% of municipal councillors and 50% of its Executive Committee. In fact both the Mayor and the Speaker of the municipality are women councillors. At ward committee level, out of 261 members 150 are women.

In terms of employment equity, the municipality has put in place an employment equity plan with monitoring indicators that are gender disaggregated. They show that women comprise 36% of management (i.e. level 0-3) and 40% of the total staff. Within the municipality, several initiatives have been

undertaken to advance the national gender agenda. Amongst others, a gender desk has been established in the Mayor's office, a gender procurement scoring system is in place to encourage the economic empowerment of women entrepreneurs and companies.

#### Children & Youth

According to Census 2011, approximately 69% of the municipality's population can be categorized as either children or youth (0-34 yrs). This group is the most vulnerable and is greatly affected by the social ills facing our society today. The municipality is experiencing a number of youth-related problems, namely HIV/AIDS; crime; teenage pregnancy; alcohol and substances abuse; unemployment; and the non-completion of schooling. Children's Forum and Youth Council have been established to deal with issues that affect young people in the municipality. Service delivery programmes are also mainstreamed to benefit the youth at various levels.

#### People Living with Disabilities

According to Census 2011, 3.4% of the population is living with disabilities. A Disability forum was launched and is actively advocating for the needs and rights of people with disabilities. A disability strategy is presently being developed.

#### 14.8 Older Persons

7.8% of the population of Lepelle-Nkumpi is older than 64 years (Census 2011).

A forum for the aged was formed in 2007 to promote the needs and interests of this important sector of our society.

An In-Depth Analysis and Key Findings of Cross-cutting Issues.

#### Weaknesses and Threats

There is lack of facilities and staff to deal with HIV / AIDS testing, counselling, treatment and care. Government Health Department is strained with understaffing at clinics and hospitals, home based care facilities are under- resourced and non-existence in some areas.

There is no employee assistance programme to deal with those affected.

There are high levels of poverty and unemployment

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Initial: Municipal Manager:

Initial: Mayor:

There is too little budget available from the municipality to fund coordination of special focus programmes

The municipality does not have an integrated strategy or plan to deal with matters relating to gender, youth, children and disabled

## ii. Strengths and Opportunities

Coordination of Special Programme is placed in the Mayor's Office. Issues in respect to gender, youth, children, and disabled are being addressed through a well staffed special focus unit within the municipality and through involvement community based structures in the wards

There are strong partnerships with local CBO's, local mine and government departments to implement HIV / AIDS community outreach programmes of education, training and counselling.

Opportunity with regard to Local Agenda 21 lies in the devolution of environmental management function and transfer of environmental officers from province to municipalities. This was further strengthened with the approval of environmental management plan.

Capricorn District Municipality has dedicated one official to deal with Disaster Management issues within our Municipality.

(a) Annual Financial Statements of the Municipality as submitted to the Auditor-General for Audit

Statement of financial position

Current Assets

		2016	2015
Cash and cash equivalents	2	256 603 078.94	193 807 016
Receivable from exchange transactions	3	12 246 555.00	10 711 944
Receivable from non-exchange transactions	4	24 414 181.58	26 641 458
Other receivables	5	53 687 445.69	85 293 302
Inventories	6	1 845 416.68	1 500 975
VAT Receivable	7	-	-

Initial: Municipal Manager:

Initial: Mayor:

## Non-Current Assets

Property, plant & equipment	8	566 329 607.98	506 393 834
Intangible Assets	9	104 539.86	184 850
<b>Total assets</b>	-	<b>915 230 826</b>	<b>824 533 378</b>

## Current Liabilities

Trade and other payables	10	64 773 516	30 114 253
Consumer deposits from Non Exchange Transactions	11	1 823 036	1 768 636
Unspent conditional grants and receipts	12	20 095 238	55 535 244
Current portion of finance lease obligation	13	585 537	72 347
VAT Payable	7	6 650 066	5 521 360

Initial: Municipal Manager:

Initial: Mayor:

## Non-current Liabilities

Provisions	14	5 495 706	6 912 041
Finance lease liability	13	670 638	-
<b>Total liabilities</b>	-	<b>100 093 737</b>	<b>99 923 881</b>

<b>Net Assets</b>	<b>815 137 090</b>	<b>724 609 498</b>
Accumulated surplus/(deficit)	815 137 140	724 609 510
	<b>815 137 140</b>	<b>724 609 510</b>

## Revenue

Revenue Source	Note	2016	2015
Service charges	15	6 189 916	6 065 861
Property rates	16	17 049 718	18 786 098
Finance income	17	25 303 897	10 873 634

Initial: Municipal Manager:

Initial: Mayor:

Rental of facilities and equipment	-	257 752	218 125
Water and Sanitation: Commission Earned	18	56 199 683	50 732 648
Licences and permits: Department of Transport	19	3 900 584	3 694 649
Government grants and subsidies received - operating		212 000 673	169 001 090
Government grants and subsidies received - capital	20	61 438 378	32 881 981
Other revenue	20	2 711 524	2 449 509
Traffic Fines	21	2 504 450	2 665 500
Bad debts recovered		14 100 704	-
<b>Total Revenue</b>	-	<b>401 657 278</b>	<b>297 369 096</b>

### Expenditure

Employee related costs	23	78 995 822	70 248 841
Remuneration of councillors	24	16 779 483	15 794 896

Initial: Municipal Manager:

Initial: Mayor:

Bad debts	-	-	20 343 868
Bad debts-CDM	-	32 475 589	-
Depreciation and amortisation expense	25	27 993 049	27 262 896
Free Basic Services: Electricity	-	7 483 336	7 216 025
Finance cost	26	81 041	18 954
Repairs and maintenance	-	7 230 356	2 636 164
General expenses	28	53 109 098	38 995 356
Contracted services	27	7 275 150	9 035 377
<b>Total Expenditure</b>	-	<b>231 422 924</b>	<b>191 552 376</b>
Gain/(Loss) on disposal of assets	22	(1 643 063)	( 756 802)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	-	<b>168 591 291</b>	<b>105 059 918</b>

Initial: Municipal Manager:

Initial: Mayor:

## Statement of Changes in Net Assets

	Pre GRAP Reserves & Funds	Accumulated Surplus/ (Deficit)	Total: Net Assets
<b>Balance at 30 June 2014</b>	-	<b>668 404 715</b>	<b>668 404 715</b>
Changes in accounting policy	-	-	-
Correction of prior period error	-	(43 981 645)	(43 981 645)
<b>Restated balance</b>	-	<b>624 423 070</b>	<b>624 423 070</b>
<b>Transfer to/from accumulated surplus/(deficit)</b>		<b>(4 873 525)</b>	<b>(4 873 525)</b>
Surplus/(deficit) for the period	-	105 059 966	105 059 966
Balance at 30 June 2015	-	724 609 510	724 609 510
<i>changes on accounting policy</i>	-	-	-
Correction of prior period error	-	(78 063 650)	(78 063 650)
Restated balance		646 545 860	646 545 860

Initial: Municipal Manager:

Initial: Mayor:

Surplus / (deficit) for the period		168 591 291	168 591 291
Net gains and losses not recognised in the statement of financial performance	-	-	-
Transfers to / from accumulated surplus/(deficit)	-	-	-
Surplus / (deficit) for the period	-	-	-
<b>Balance at 30 June 2015</b>	-	<b>815 137 151</b>	<b>815 137 151</b>

## Cash flow Statement

Cash flows from operating activities	Note	2016	2015
<b>Cash receipts from rate payers, government and other</b>	-	<b>291 639 964</b>	<b>219 468 222</b>
Cash paid to suppliers and employees	-	(166 973 486)	(97 427 003)
Cash generated from (utilised in) operations	29	124 666 478	122 041 180
Interest received	17	25 303 897	10 873 634

Initial: Municipal Manager:

Initial: Mayor:

Interest Paid		(81 041)	(18 954)
<b>Net cash flows from operating activities</b>		<b>149 889 333</b>	<b>132 895 860</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-	-
Purchase of property, plant and equipment and other assets	-	<b>(85 083 248)</b>	(47 854 018)
Proceeds from disposal of assets	-	1 490	233 811
<b>Net cash used in investing activities</b>	-	<b>(85 081 758)</b>	<b>(47 620 207)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-	-
Decrease/ increase in long term loans	-	(1 677 564)	-
(Raising)/payment of finance lease liabilities	-	(333 897)	( 274 545)
<b>Net cash used in financing activities</b>	-	<b>(2 011 461)</b>	<b>(274 545)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	-	<b>62 796 114</b>	85 001 109
Cash and cash equivalents at beginning of the year	-	<b>193 806 974</b>	108 805 865
Cash and cash equivalents at end of June 2015	-	<b>256 603 088</b>	<b>193 806 974</b>

Initial: Municipal Manager:

Initial: Mayor:

## Statement of Comparison Budget

Revenue	2016 Budget	2016 Actual	2016 Variance	2016 % Variance
Service charges	6 111 352.00	6 189 916	(78 564)	-1%
Property rates	20 037 448.74	17 049 718	2 987 731	15%
Finance income	15 453 920.00	25 303 896.92	(9 849 977)	-64%
Rental of facilities and equipment	149 780.00	257 752	( 107 972)	-72%
Water and Sanitation Agency Fees	8 187 607.00	56 199 683	(48 012 076)	-586%
Licences and permits: Department of Transport	1 257 600.00	3 900 584	(2 642 984)	-210%
Government grants and subsidies received - operating	214 816 411.00	212 000 673	2 815 738	1%
Government grants and subsidies received - capital	82 234 365.00	61 438 378	20 795 987	25%
Other revenue	78 391 969.00	2 711 524	75 680 445	97%

Initial: Municipal Manager:

Initial: Mayor:

Traffic Fines	1 754 654 .00	2 504 450	(749 796)	-43%
<b>Total Revenue</b>	<b>428 395 107</b>	<b>401 657 278</b>	<b>40 828 533</b>	<b>-838%</b>
<b>EXPENDITURE</b>				
Employee related costs	85 897 625	78 995 822	6 901 803	8%
Remuneration of councillors	17 662 045	16 779 483	882 562	5%
Bad debts	23 343 799	-	23 343 799	100%
Bad debts	0	32 475 589.20	(32 475 589)	100%
Depreciation and amortisation expense	35 178 537	27 993 049	7 185 488	20%
Free Basic Services: Electricity	8 220 000	7 483 336	736 664	9%
Finance cost	26 450	81 041	( 54 591)	-206%
Repairs and maintenance	13 138 200	7 230 356	5 907 844	45%

Initial: Municipal Manager:

Initial: Mayor:

General expenses	85 928 580	53 109 098	32 819 482	38%
Contracted services	9 966 400	7 275 150	2 691 250	27%
<b>Total Expenditure</b>	<b>279 361 636</b>	<b>231 422 924</b>	<b>47 938 712</b>	<b>146%</b>
Gain/(Loss) on disposal of assets	-	-	-	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>149 033 471</b>	<b>170 234 354</b>	<b>(7 100 180)</b>	<b>-985%</b>

Cash and Cash Equivalents

Cash and Cash Equivalents	2016	2015
Cash on hand	8 776	6 606
Cash at bank	1 693 782	11 447 980
Cash deposits	254 900 520	182 352 429

Initial: Municipal Manager:

Initial: Mayor:

The Municipality has the following bank accounts:

<b>Paymaster general account</b>	<b>2016</b>	<b>2015</b>
Cash book balance at beginning of year	8 450 514	4 716 780
Cash book balance at end of year	456 417	8 450 514
Bank statement balance at beginning of year	8 433 622	4 716 780
Bank statement balance at end of year	477 283	8 433 622
<b>Revenue Account</b>		
Cash book balance at beginning of year	1 542 378	3 310 337
Cash book balance at end of year	543 117	1 542 378
Bank statement balance at beginning of year	681 718	3 278 657
Bank statement balance at end of year	551 182	681 718
<b>Salaries Account</b>		
Cash book balance at beginning of year	1 455 088	129 286
Cash book balance at end of year	694 248	1 455 088
Bank statement balance at beginning of year	1 455 088	129 286
Bank statement balance at end of year	694 248	1 455 088

Initial: Municipal Manager:

Initial: Mayor:

**Money Market Account**

Cash book balance at beginning of year	182 352 429	100 645 585
Cash book balance at end of year	254 900 520	182 352 429
Bank statement balance at beginning of year	182 248 822	100 645 585
Bank statement balance at end of year	254 713 758	182 248 822
Cash on Hand	21 237	6 606

**Trade & other receivables from exchange transactions**

Refuse	-	-
Gross balance	41 483 244	29 017 911
Less: Provision for Doubtful debts	29 236 689	18 305 967
Net balance	12 246 555	10 711 944

**Refuse: Ageing**

Current (0-30 days)	2 437 632	1 423 885
31-60 days	1 153 415	723 067
61-90 days	1 110 946	608 005
91-120 days	6 937 706	603 472

Initial: Municipal Manager:

Initial: Mayor:

121-365 days	7 282 552	4 649 296
+365 days	22 560 994	21 010 186
Total	41 483 244	29 017 911
<b>Trade&amp; other receivables from non-exchange transactions</b>		
<b>Rates</b>		
Balance	67 920 580	97 104 738
plus credit debtor balance-refer to note	5 175 488	3 250 032
Gross balance	73 096 068	100 354 770
Less: provision for doubtful debts	48 681 886	73 713 312
Net balance	24 414 182	26 641 458
<b>Rates: Ageing</b>		
Current (0-30 days)	3 100 574	4 950 279
31-60 days	1 518 582	1 734 745
61-90 days	1 510 574	1 706 983
91-120 days	20 185 781	1 680 092
121-365 days	10 856 738	15 000 343

Initial: Municipal Manager:

Initial: Mayor:

+365 days	35 923 819	75 282 327
Total	73 096 068	100 354 770
<b>Reconciliation of the doubtful debt provision</b>		
balance at beginning of the year	92 019 280	71 675 412
contribution to provision	-	20 343 868
Doubtful debts written off against provision	-	-
reversal of provision	(14 100 704)	-
Balance at end of year	77 918 576	92 019 280

Trade & other receivables past due but not impaired

Consumer debtors pledged as security

Consumer debtors were not pledged as security for overdraft facilities.

Consumer debtors impaired

The amount of the provision was R77 918 576 as at June 2016. (2015: R92 019 280)

Interest Raised 2015/16

During the 2015/16 financial year interest on outstanding receivables were calculated at a rate of 10% as per the tariff structure.

Initial: Municipal Manager:

Initial: Mayor:

## Other receivable from non-exchange Transaction

CDM Advance Account: Commission		
other debtors		
CDM: Landfill management		
Integrated National Electrification programme		
<b>Inventories</b>		
opening balance	1 500 975.00	761 289
Additions	2 682 139.11	8 281 264
Issued (expensed)	(2 337 697.67)	(7 388 297)
Stock adjustment	-	-
write-down	-	-
Net replacement cost	-	(153 292.01)
Closing balance	1 845 417	1 500 975
<b>Stock written off</b>		
There were no stock written off during the year under review	-	(226 027)

Initial: Municipal Manager:

Initial: Mayor:

Vat receivable/(payable)	(6 650 066)	(5 521 360)
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Property, Plant and Equipment

Reconciliation of carrying value	Land & building	Infrastructure	Capital work in progress	Other & moveable assets	Lease assets	Total
as at 01 July 2015	272 246 025	162 112 338	51 486 704	20 484 200	64 566	506 393 834
cost/revaluation	354 096 252	198 156 338	51 486 704	37 266 864	1 420 493	642 426 650
accumulated depreciation	(81 850 227)	(36 043 999)		(16 769 276)	(1 355 927)	(136 019 429)
Impairment losses				(13 388)		(13 388)
Acquisitions/additions	605 890	832 361	70 161 547	15 652 505	1 517 724	88 770 028
Donated	739 112					739 112
Depreciation Impairment losses/reversal of impairment loss	(16 382 603)	(6 616 549)	-	(4 553 908)	(359 679)	(27 912 739)
Transfers-cost	1 177 015	15 621 585	(16 798 599)	-	-	-
Transfer-accumulated depreciation	-		-	-	-	-
other movements	(165 399)	(606 476)	-	(888 751)	-	(1 660 626)

Initial: Municipal Manager:

Initial: Mayor:

Disposal-cost	(340 123)	(643 608)	-	(3 050 923)	(1 420 493)	(5 455 147)
Disposal-accumulated depreciation	174 724	37 132	-	2 148 783	1 420 493	3 781 133
Disposal-accumulated impairment	-	-	-	13 388	-	13 388
As at 30 June 2016	258 220 040	171 343 258	104 849 652	30 694 046	1 222 612	566 329 608
Cost/revaluation	356 278 145	213 966 675	104 849 652	49 868 447	1 517 724	726 480 643
Accumulated depreciation	(98 058 105)	(42 623 417)	-	(19 174 401)	(295 112)	(160 151 035)
Impairment losses	-	-	-	0	-	0
As at 01 July 2014	275 908 677	159 270 278	32 724 694	20 148 177	322 830	488 374 656
cost/revaluation	342 262 935	190 205 883	32 724 694	32 585 800	1 420 493	599 199 805
accumulated depreciation	(66 354 258)	(30 935 605)	-	(12 424 235)	(1 097 663)	(110 811 761)
Impairment losses	-	-	-	(13 388)	-	(13 388)
Acquisitions/additions	6 366 744	10 814 097	25 695 656	4 977 521	-	47 854 018
Donated	--	-	-	284 418	-	284 418
Depreciation Impairment losses/reversal of impairment loss	(16 491 649)	(6 554 346)	-	(3 878 327)	(258 264)	(27 182 586)

Initial: Municipal Manager:

Initial: Mayor:

Transfers-cost	9 533 475	3 888 753	(4 861 088)	163 385	-	8 724 525
Correction of error-cost	(3 344 658)	(6 752 395)	(2 072 558)	(28 327)	-	(12 197 937)
Correction of error-accumulated depreciator	778 808	1 445 952	-	(931 219)	-	1 293 542
Disposal-cost	(505 373)	-	-	(251 429)	-	(756 802)
Disposal-accumulated depreciation	(722 244)	-	-	(715 934)	-	(1 438 178)
Disposal-accumulated impairment	216 871	-	-	464 505	-	681 376
As at 30 June 2016	272 246 025	162 112 338	51 486 704	20 484 200	64 566	506 393 834
Cost/revaluation	354 096 252	198 156 338	51 486 704	37 266 864	1 420 493	642 426 650
Accumulated depreciation	(81 850 227)	(36 043 999)	-	(16 769 276)	(1 355 927)	(136 019 429)
Impairment losses	-	-	-	(13 388)	-	(13 388)

Initial: Municipal Manager:

Initial: Mayor:

Intangible Assets		
Cost	737 845	737 847
Accumulated amortisation	(552 995)	(472 685)
Total	184 850	265 160
Amortisation	(80 310)	(80 310)
Reconciliation of carrying value-opening	104 540	184 850
cost	737 845	737 845
Accumulated amortisation	(633 305)	(552 995)
Accumulated impairment	-	-
Trade & other payables		
Trade creditors	28 861 331	5 616 430
Retentions	17 968 096	11 079 924
Leave provision	8 842 402	6 964 491
Bonus provision	2 064 733	1 747 855
Traffic department	967 738	978 027
Other creditors	6 001 048	3 659 358

Initial: Municipal Manager:

Initial: Mayor:

CDM advance account: R&M	68 169	68 169
Total trade & other payables	64 773 516	30 114 253
Consumer deposits from non-exchange transactions		
Total consumer deposits	1 823 036	1 768 636
<b>Unspent conditional grants and receipts</b>		
MIG	15 859 477	51 593 513
LED Leainership	327 926	327 926
FMG	-	-
MSIG	-	-
DME	-	-
EPWP	-	-
CDM: Landfill management	-	2 377 800
refurbishment of Noko Tlou Stadium	100 230	100 230
Halls	6 135	6 135
Stadium	300 000	300 000
Integrated transport plan	500 000	500 000

Initial: Municipal Manager:

Initial: Mayor:

waste management cleaning	457 645	260 600
Eradication of Alien plants	975 680	69 040
Integrated national electrification programme	1 568 144	-
	20 095 238	55 535 244

ATTACHED SEE COPY OF THE AUDITED AFS. Annexure A

(b) The Auditor-General's Audit Report in terms of section 126(3) on the financial statements.

# Report of the auditor-general to the Limpopo Provincial Legislature and the council on the Lepelle – Nkumpi Local Municipality

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Lepelle - Nkumpi Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement, and statement of comparison budget for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

### **Basis for qualified opinion**

#### Property plant and equipment

6. The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. I identified land belonging to the municipality that was not included in the underlying records. There were no satisfactory alternative means that I could perform to quantify the extent of the understatement. Consequently, I was unable to determine whether any adjustments to property, plant and equipment stated at R564 256 085 (2015: R506 393 834) in the financial statements was necessary.

#### Provisions

7. The municipality did not provide for the environmental rehabilitation of a new land fill site, as required by GRAP 19, *Provisions, contingent liabilities and contingent assets*. I was unable to confirm the provision by alternative means. I was not able to determine the extent of the understatement of provisions stated at R5 495 706 (2015: R6 912 041) as it was impracticable to do so.

#### Irregular expenditure

8. The municipality made payments in contravention of the supply chain management requirements, resulting in irregular expenditure of R26 612 633 (2015: R8 594 749). As the municipality did not implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective, I was unable to determine the full extent of the understatement by alternative means. Consequently, I was unable to determine whether any further adjustments relating to irregular expenditure disclosed at R24 670 400 (2015: R119 419 671) in the financial statements was necessary.

### **Opinion**

9. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Lepelle – Nkumpi Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.



### **Emphasis of matters**

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

#### Restatement of corresponding figures

11. As disclosed in note 31 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2016.

#### Material underspending of the conditional grant

12. As disclosed in note 20 to the financial statements the municipality has materially underspent the budget on Municipal Infrastructure Grant to the amount of R15 859 477.

#### Material impairments

13. As disclosed in note 4 and 5 to the financial statements, the municipality has consumer debtors totaling R114 579 311 as at 30 June 2016, of which the recoverability of R77 918 575 is doubtful.

### **Additional matters**

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

#### Unaudited supplementary schedules

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

#### Unaudited disclosure notes

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

### **Report on other legal and regulatory requirements**

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



### **Predetermined objectives**

18. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development objectives presented in the annual performance report of the municipality for the year ended 30 June 2016:
  - a. Municipal transformation and institutional development on pages x to x
  - b. Local economic development on pages x to x.
  - c. Basic service delivery and infrastructure development on pages x to x
19. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
20. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well-defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
21. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. The material findings in respect of the selected development objectives are as follows:

### **Development objective 2: Local economic development**

#### Reliability of reported performance information

23. The FMPPi requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and the auditee's records not permitting the application of alternative audit procedures.

### **Development objective 3: Basic service delivery and infrastructure development**

#### Usefulness of reported performance information

24. Section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires the service delivery and budget implementation plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 4% important reported objectives and indicators and targets were not consistent with those in the approved service delivery and budget implementation plan



25. A total of 2% of important indicators did not relate logically and directly to an aspect of the auditee's mandate and the realisation of strategic goals and objectives as per the service delivery and budget implementation plan as required by the FMPPI

#### Reliability of reported performance information

26. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and the auditee's records not permitting the application of alternative audit procedures.

#### **Additional matters**

27. I draw attention to the following matters. My conclusion is not modified in respect of these matters:

#### Achievement of planned targets

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

#### Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Municipal transformation and institutional development; Local economic development, and Basic services and infrastructure development. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness and reliability of the reported performance information.

#### Unaudited supplementary schedules

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

#### **Compliance with laws and regulations**

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



## Strategic planning and performance management

32. The service delivery and budget implementation plan (SDBIP) for implementing the municipality's delivery of municipal services, did not indicate projections for each month of the revenue to be collected, by source and the operational and capital expenditure and by vote as required by section 1 of the MFMA.
33. The annual performance report for the year under review, did not include a comparison of the performance with the previous financial year, as required by section 46(1) of the MSA.

## Annual financial statements, performance and annual reports

34. 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 current assets, expenditure, and disclosure items 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.
35. The oversight report adopted by the council on the 2014-15 annual report was not made public, as required by section 129(3) of the MFMA.

## Expenditure management

36. 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.

## Asset management

37. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
38. An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.

## Procurement and contract management

39. I could not obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as the accounting officer did not design and implement proper record-keeping of documents.
40. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by Supply Chain Management Regulation (SCM regulation) 17(a) and (c).
41. Quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).
42. Invitations for competitive bidding were not always advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).



43. I could not obtain sufficient appropriate audit evidence that bid specifications were unbiased and that it allowed all potential suppliers to offer their goods or services, as required by SCM regulation 27(2)(a).
44. Thresholds for local content on designated sectors' procurement were not properly applied in accordance with the requirements of preferential procurement regulation 9.
45. Awards were made to bidders other than those recommended by the bid evaluation committee without due consideration, of the deviation, by the accounting officer, as required by SCM regulation 29(5)(b).
46. Contracts were awarded to bidders that did not score the highest points in the evaluation process, in contravention of section 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
47. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
48. Construction contracts were awarded to contractors that did not qualify for the contract, in contravention of section 18(1) of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) and Construction Industry Development Board Regulations 17 and 25(7A).
49. Contracts were extended/modified without tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.
50. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
51. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA.
52. Awards were made to providers who were in the service of other state institutions or whose directors/principal shareholders were in the service of other state institutions, in contravention of section 112 (j) of the MFMA and SCM regulation 44.

### **Internal control**

53. 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 qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

### **Leadership**

54. The accounting officer did not adequately review and monitor financial and performance reporting. This has resulted in the annual financial statements and the annual performance report containing material misstatements.



### **Financial and performance management**

55. The accounting officer did not adequately review and monitor compliance with laws and regulations resulting in irregular, fruitless and wasteful and unauthorised expenditure.

### **Governance**

56. The municipality's risk management strategy is not effective enough to prevent the large number of internal control deficiencies identified.

### **Other reports**

57. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

### **Investigations**

58. MPAC conducted investigations on unauthorised, irregular and fruitless and wasteful expenditure as disclosed in the annual financial statements and made recommendations to council for write off these expenditures.

*Auditor - General*

Polokwane

30 November 2016



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



### (c) The Annual Performance Report of the Municipality prepared in terms of section 46 of MSA

Lepelle-Nkumpi Municipality developed the Service Delivery and Budget Implementation Plan as per the six Local Government Key Performance Areas. The six local government key performance areas were linked to the Local Government Outcome 9 of 2009. The six key performance areas were aligned to the municipal’s strategies and objectives. The municipality developed key performance indicators that were aligned to the six key performance areas. 2015/16 SDBIP was approved by the Mayor and had a total of 216 Key Performance Indicators (KPIs) in all.

#### Departmental Performance:

Scoring: 1= poor, 2 = Fair, 3= Good, 4 = Very Good, 5= Excellent

Department	Number of Key Performance Indicators	KPI Achieved	% Achieved	KPIs Not Achieved	% not Achieved	Score	Performance Description
Technical Services and Infrastructure Development	46	8	17.4%	38	83%	2	poor performance
Community Services	28	16	57%	12	43%	3	Good
Corporate Services	50	38	76%	12	24%	4	very Good
Planning and Local Economic Development	29	23	79%	06	21%	4	very Good
Budget and Treasury	22	21	95%	01	4.5%	5	Excellent
Municipal Manager’s Office	41	24	58%	17	41%	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Total	216	130	60%	86	40%	4	Very Good
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Key Performance Area	Number of Key Performance Indicators	KPI Achieved	% Achieved	KPIs Not Achieved	% not Achieved	Score	Performance Description
Basic Service Delivery	54	14	26%	40	74%	2	Poor performance
Local Economic Development	18	13	72%	5	27.7%	4	Very Good
Good Governance and Public Participation	41	27	66%	14	34%	4	Very Good
Municipal Transformation	48	35	73%	13	27%	4	Very Good
Budget and Treasury	22	21	95%	01	4.5%	5	Excellent
Spatial Rationale	33	19	57.5%	14	42.4%	3	Good
Total	216	129	59.7%	87	40%	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

**Comparison of the previous performance with the current performance**

2014/15			2015/16		
Total indicators	KPI Achieved	KPI Not Achieved	Total indicators	KPI Achieved	KPI Not Achieved
186	106 (57%)	(80) 43%	216	129 (59.7%)	87 (40%)

**Measures to be taken to improve organisational Performance**

- Institutional change management to be done through Corporate Service Department.
- Employee wellness and consequence management to be implemented through Labour Relations.
- Proper Management of Municipal Yellow Fleet.
- Daily monitoring of the signed Contracts through Legal Service Unit
- Municipal Property to be registered under its name at the Deeds Office.
- Engagement with the stakeholders and other government institutions during the planning phase on services to be rendered within the municipality.
- Procure a system on performance management to assist with the reporting.
- Penalty letter to be served to all the service providers who were appointed but failed to complete or render the service as agreed.

**Detailed Annual Institutional Performance Results for 2015/16 per Key Performance Areas**

KPA	Strategic Objective	Key Performance Indicator	Revised Indicator	Baseline 2014/15	Budget 2015/16	Budget Adjusted (Yes/No) Amount	Expenditure	Annual Target 2015/16	Revised target 2015/16	Overall progress during the financial year/ Actual Annual Performance	Achieved/ Not Achieved	Explanation of variance	Management Corrective Measures on Indicators and targets not achieved	Portfolio of Evidence	Portfolio of Evidence File Ref No.
Basic Service Delivery	To construct new roads infrastructure	Number of km of road resealed and maintained at zone F phase 2 during fourth quarter	-	3.7km	R5 000 000.00	R5 000 00.00	R3 554 366.59 (Vat included)	Reseal and maintain 1.3km of road at zone F phase 2 during fourth quarter	-	93% of road completed	Not Achieved	Delays due to community protest were community members prevented contractors from working (Left with construction of kerbs and 236 V-Drain	Contractor to fast track the progress on site by increasing working hours and staff	Completion certificate	Tec 01

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To construct new roads infrastructure	Number of kilometres upgraded from gravel to surfaced (concrete paving block) during fourth quarter	-	9km	R3 729 176.56	R3 500 000.00	R3 390 160.57	Upgrading 0.700m of gravel road to surfaced at zone F RDP(access road vukuphile) during fourth quarter	-	69% road constructed	Not achieved	Delays due to community protest were community members prevented contractors from working	Contractor to fast-track progress on site by increasing working hours and staff	Completion certificate	Tec 02
Basic Service Delivery	To construct new roads infrastructure	Number of sqm paved at technical services during fourth quarter	-	0sqm	R200 000.00 (roll over)	R200 000.00	R199 465.80	Paving of 500sqm at Technical Services Office	-	500sqm of paving constructed at Technical Services	Achieved	None	None	Completion certificate	Tec 03
Basic Service	To construct	Number kilomet	-	0km	R3 800 000.00	R3 800 000.00	R0.00	Upgrading of 1km of	-	0km	Not achieved	The project was not	The municipality to	Completion certificate	Tec 04

Initial: Municipal Manager:

Initial: Mayor:

Delivery	new roads infrastructure	res upgraded from gravel to surfaced during fourth quarter				0		gravel to surfaced road at Ga-Seloane Moshate				approved for MIG funding as an MOA was not established between the municipality and RAL	engage with RAL to establish the memorandum of agreement in the 2016/17 financial year for the municipality to priorities the project	ate	
Basic Service Delivery	To construct new roads infrastructure	Number of kilometres upgraded from gravel to surfaced at zone S to BA phase 1 during	-	0km	R3 500 000.00	R3 500 000.00	R 822 510.00	Upgrade 1km of road from gravel to surfaced road at zone S to BA phase 1 during fourth quarter	-	0km still at pre design stage	Not achieved	Late appointment of professional service provider for designs due to late sitting of the SCM committees	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each	Completion certificate	Tec 05

Initial: Municipal Manager:

Initial: Mayor:

		fourth quarter											week in order to expedite SCM processes		
Basic Service Delivery	To construct new roads infrastructure	Number of kilometres upgraded from gravel to surfaced during fourth quarter	-	2km	R3 490 031.23	R3 500 000.00	R1 791 541.77	Upgrade 0.260km of road from gravel to surfaced road: CBD streets phase 2 (Vukuphile) during fourth quarter	-	78% construction stage	Not achieved	Delay in the relocation of Hawkers who were on the road alignment . There was a land dispute ownership between the municipality and a private developer .	Council to approve the realignment of the road. Contractor to expedite progress on site	Completion certificate	Tec 06
Basic Service Delivery	To construct new roads	Number of kilometres upgraded	-	0km	R6 000 000.00	R6 000 000.00	R 3 065 043.49	Upgrade 1.2km of gravel road to block	-	Contractor appointed on 30/06/2016	Not achieved	The project was delayed by engagement	The project is a multi-year and we could	Completion certificate	Tec 07

Initial: Municipal Manager:

Initial: Mayor:

ery	infrast ructur e	ed from gravel to surface d during fourth quarter						paving at Ga- Mathab atha during fourth quarter				ent with Mathabat ha tribal office in determini ng the sections of the road to be prioritize d	not achieve our target of completin g 1.2km the project will be rolled over to 2016/17 financial year.		
Basic Servic e Deliv ery	To constr uct new roads infrast ructur e	Numbe r of kilomet res upgrad ed from gravel to surface d during fourth	-	0km	R4 750 000.00	R5 1 25 1 00.0 0	R 1 383 513.30	Tarring of 1km of main road from gravel to tar at zone S and Q during fourth quarter	-	Contract or appoint ed on 24/06/2 016	Not achieve d	Late appointm ent of service provider. Delays in SCM processes	The project is a multi- year and we could not achieve our target of completin g 1km the project will be rolled	Compl etion certific ate	Tec 08

Initial: Municipal Manager:

Initial: Mayor:

		quarter											over to 2016/17 financial year.		
Basic Service Delivery	To construct new storm water control infrastructure	Number of small access bridges constructed during fourth quarter	-	0	R1 250 000.00	R1 500 000.00	R 525 088.11	Construct one small access bridge at Madisha Ditoro during fourth quarter	-	Contract or appointed 24/06/2016	Not achieved	Late appointment of service providers. Delays in SCM processes	The project was rolled over to next financial year.	Completion certificate	Tec 09
Basic Service Delivery	To construct new storm water control infrastructure	Number of small access bridges constructed during fourth quarter	-	0	R1 250 000.00	R1 500 000.00	R 620 932.49	Construct one small access bridge at Magatle /Mapatjakeng during fourth quarter	-	Contract or appointed On 13/06/2016	Not achieved	Late appointment of service providers. Delays in SCM processes	The project was rolled over to next financial year.	Completion certificate	Tec 10

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To construct new storm water control infrastructure	Number of small access bridges constructed during fourth quarter	-	0	R500 000.00	R1 500 000.00	R 537 787.68	Construct one small access bridge at Lehlokwaneng during fourth quarter	-	Contractor appointed 13/06/2016	Not achieved	Late appointment of service providers. Delays in SCM processes	The project was rolled over to next financial year.	Completion certificate	Tec 11
Basic Service Delivery	To construct new storm water control infrastructure	Number of small access bridges constructed during fourth quarter	-	0	R1 500 000.00	R1 500 000.00	R 750 741.05	Construct one small access bridge at Makadikadi/Ireland	-	Contractor appointed on 07/06/2016	Not achieved	Late appointment of service providers. Delays in SCM processes	The project was rolled over to next financial year.	Completion certificate	Tec 12
Basic Service Delivery	To construct new roads	Number of kilometres upgraded	-	1km	R9 823 575.00	R9 997 452.20	R 9 722 718.08	Grading of 1.8km of internal streets	-	95% of internal street and storm water	Not achieved	The project is practically completed. The contractor	The contractor to finalise the snack list within	Completion certificate	Tec 13

Initial: Municipal Manager:

Initial: Mayor:

ery	infrast ructur e	ed from gravel to surface d during fourth quarter						and stormw ater from Mamaol o/Mam piki		construc ted		r is attending to the snack list.	14 days from the date of issuing practical completi on certificate .		
Basic Service Delivery	To electrif y new house holds extensi ons	Numbe r of househ olds electrifi ed during fourth quarter at Rakgoa tha village	-	0	R5 400 000.00	R5 4 00 0 00.0 0	R477,48 7.50	Electrific ation of 400 househo lds at Rakgoat ha village	749	5% Constru ction stage but designs complet ed	Not achieve d	Delay in SCM process to appoint Service provider as the contracto r was appointed only on the 11 April 2016.	The accountin g officer instructed the SCM committe es to hold bid committe es meetings every Wednesd ay of each week in order to expedite SCM	Compl etion Certifi cate	Tec 14

Initial: Municipal Manager:

Initial: Mayor:

													processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Dublin village	-	0	R675 000.00	R1 152 720.00	R736,301.46	Electrification of 50 households at Dublin village	-	95% households electrified	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer instructed the SCM committees to hold bid committees meetings every Wednesday of each week in order to expedite SCM processes.	Completion Certificate	Tec 15
Basic Service Delivery	To electrify new households extensions	Number of households electrified	-	0	R1 620 000.00	R3 900 000.00	R1,653,697.771	Electrification of 120 households at Matome	227	60% Construction stage	Not achieved	Delay in SCM process to appoint Service	The accounting officer instructed the SCM committee	Completion Certificate	Tec 16

Initial: Municipal Manager:

Initial: Mayor:

	ons	during fourth quarter at Matome Village						Village				provider as the contractor was appointed only on the 11 April 2016.	es to hold bid committees meetings every Wednesday of each week in order to expedite SCM processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Bolatjane village	-	0	R810 000.00	2 800 533.00	R1,615,041.113	Electrification of 60 households at Bolatjane village	215	80% Construction stage	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday	Completion Certificate	Tec 17

Initial: Municipal Manager:

Initial: Mayor:

												2016.	ay of each week in order to expedite SCM processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Motant anyane village	-	0	R2 000 000.00	R24 000.00 (for consultant)	R	Electrification of 318 households at Motant anyane village	-	100% Construction stage	Achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each week in order to expedite SCM processes	Completion Certificate	Tec 18

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Matatane village phase 2	-	120	R1 674 000.00 (roll over)	R1 720 455.00	R1,436,582.07	Electrification of 124 households at Matatane village phase 2	-	85% Construction stage	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each week in order to expedite SCM processes	Completion Certificate	Tec 19
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth	-	0	R256 500.00	R450 000.00	R56,800.00	Electrification of 19 households at Motsere reng	31	0% Construction stage	Not achieved	No suitable contractor was found and the tender went on Re	The accounting officer to instruct the SCM committees to hold	Completion Certificate	Tec 20

Initial: Municipal Manager:

Initial: Mayor:

		quarter at Motserereng village						village				advertisement	bid committees meetings every Wednesday of each week in order to expedite SCM processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Magatle village	-	300	R2 527 000.00	R3 900 000.00	R2,640,827.56	Electrification of 200 households at Magatle village	298	70% Construction stage	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each week in	Completion Certificate	Tec 21

Initial: Municipal Manager:

Initial: Mayor:

													order to expedite SCM processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Madisha Ditoro village	-	0	R3 296 500.00	R1 700 000.00	R786,074.29	Electrification of 250 households at Madisha Ditoro village	74	90% Construction stage	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each week in order to expedite SCM processes	Completion Certificate	Tec 22
Basic Service	To electrify new	Number of househ	-	0	R2 635 000.00	R1 000 000.00	R0.00	Electrification of 201	39	5% Construction	Not Achieve	Delay in the submissio	The letter was send to Eskom	Compl etion Certifi	Tec 23

Initial: Municipal Manager:

Initial: Mayor:

Delivery	house holds extensions	olds electrified during fourth quarter at Mapatjakeg village				0		households at Mapatjakeg village		stage	d	n of designs for approval to Eskom by the consultant.	and the work was done. Waiting for Eskom to energize	cate	
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at Ngwaname and Mafefe new stand	-	0	R1 541 500.00	R3 400 000.00	R1,795,079.38	Electrification of 120 households at Ngwaname and Mafefe new stand	159	80% Construction stage	Not Achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The accounting officer to instruct the SCM committees to hold bid committees meetings every Wednesday of each week in order to expedite	Completion Certificate	Tec 24

Initial: Municipal Manager:

Initial: Mayor:

													SCM processes		
Basic Service Delivery	To electrify new households extensions	Number of households electrified during fourth quarter at unit F and A	-	0	R3 000 000.00	R3 283 530.37	R 2 168 000.92	6km of public lights Installation at unit F and A	-	70% Construction stage	Not achieved	Delay in the approval of transformer structures by Eskom	Meeting was held with Eskom to make follow ups regarding the project	Completion Certificate	Tec 25
Basic Service Delivery	To refurbish an existing community hall	Number of Community halls drilled during fourth quarter	-	1	R500 000.00 (roll over)	R100 000.00	R 0.00	Drill boreholes in 13 community halls	-	100% completed	Achieved	None	None	Completion Certificate	Tec 26
Basic Service Delivery	To construct new	Number of new community	-	5	R500 000.00 (roll over)	R250 000.00	R207 632.00	Construct 1 community hall	-	One community hall constructed	Achieved	None	None	Completion Certificate	Tec 27

Initial: Municipal Manager:

Initial: Mayor:

ery	community hall	nity halls constructed during fourth quarter at Ga-Mathabatha						at Ga-Mathabatha (masonry, flooring, roof, painting, fence, electricity, septic tank and water supply)		ted.					
Basic Service Delivery	To construct new cemeteries	Number of new cemeteries constructed during fourth quarter in Lebowa kgomo phase	-	0	R4 300 000.00	R4 300 000.00	R1 313 394.94	Development of one municipal cemetery in Lebowa kgomo phase one	-	Contractor appointed and busy with site establishment.	Not achieved	Late appointment of service provider. Delays in SCM processes. The contractor was appointed on the 24/06/2016	The project was rolled over to the next financial year.	Progress report	Tec 28

Initial: Municipal Manager:

Initial: Mayor:

		one													
Basic Service Delivery	To construct new community facilities	Number of new municipal offices constructed during fourth quarter at civic centre	-	1	R7 000 000.00	R7 000 000.00	R 1 688 491.00	Extend 1 Municipal office (masonry, flooring, roof, painting, fence, electricity, septic tank and water supply) at civic centre	-	55% construction stage	Not achieved	Delay in SCM process to appoint Service provider as the contractor was appointed only on the 11 April 2016.	The project was rolled over to the next financial year.	Completion certificate	Tec 29
Basic Service Delivery	To refurbish an existing community facilities	Number of municipal and community facilities	-	1	R50 000 .00 (roll over)	R50 000 .00	R 188 200.00 (spend from operational budget)	Refurbish Nokotlou Stadium	-	100% completed	Achieved	None	None	Completion certificate	Tec 30

Initial: Municipal Manager:

Initial: Mayor:

	hall	refurbished/rehabilitated during fourth quarter Nokotlou Stadium													
Basic Service Delivery	To construct new community hall	Number of new community halls constructed during fourth quarter at Lenting	-	5	R4 300 000.00	R3 181 679.00	R 2 856 269.0	Construct one community hall at Lenting (masonry, flooring, roof, painting, fence, electricity, septic tank and water supply)	-	70% construction stage	Not achieved	Slow progress by contractor	Increase labourers on site to accelerate building progress. Also to work overtime. The increase in labour will be effective from July 2016.	Completion certificate	Tec 31

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To construct new community hall	Number of new community halls constructed during fourth quarter at Hweleshaneng		5	R4 300 000.00	R4 300 000.00	R 3 723 389.35	Construct 1 community hall at Hweleshaneng (masonry, flooring, roof, painting, fence, electricity, septic tank and water supply)	-	80% Construction stage	Not achieved	Late delivery of steel structure for roofing	Contractor to increase working hours and labour. The increase in labour will be effective from July 2016.	Completion certificate	Tec 32
Basic Service Delivery	To construct new recreational facilities	Number of new recreational facilities	-	0	R3 575 000.00	Project discontinued due to	R0.00	Construct 3 new recreational facilities at Marulan	-	Projects were advertised but on hold due to non approval	Not achieved	Projects on hold due to non approval of MIG	Projects will be re-registered at coghsta for additional	Completion certificate	Tec 33

Initial: Municipal Manager:

Initial: Mayor:

	es	constructed during fourth quarter at Marulalong, Makgoba, Lekgwareng				nun approval of MIG roll over by National Treasury		eng, Makgoba, Lekgwareng (tennis court, netball court and soccer pitch)		l of roll over			funding.		
Basic Service Delivery	To construct new recreational facilities	Number of new recreational facilities constructed during fourth quarter at Lekurung, Lesetsi,	-	0	R3 575 000.00	Project discontinued due to nun approval of MIG roll over by Natio	R0.00	Construct 3 new recreational facilities at Lekurung, Lesetsi, Maralaleng (tennis court, netball court and	-	Projects were advertised but on hold due to non-approval of roll over	Not achieved	Projects on hold due to non-approval of MIG	Projects will be re-registered at coghsta for additional funding.	Completion certificate	Tec 34

Initial: Municipal Manager:

Initial: Mayor:

		Maralal eng				nal Treasury		soccer pitch).							
Basic Service Delivery	To construct new community hall	Number of new community halls constructed during fourth quarter at Dublin	-	5	R4 000 000.00	Discontinued during adjustment budget (PTO not available)	R0.00	Construct 1 community hall at Dublin (masonry, flooring roof, painting, fence, electricity, septic tank and water supply)	-	Project on hold due to lack of PTO	-	-	-	Completion certificate	Tec 35
Basic Service Delivery	To construct new community hall	Number of new community halls constructed	-	5	R4 300 000.00	R3 900 000.00	R 3 696 851.45	Construct one community hall at Makweng (masonry	-	95% construction stage. Practically complete	Not achieved	Waiting for Eskom to energize the building Late appointment	Follow up with Eskom to expedite the connection in the first	Completion certificate	Tec 36

Initial: Municipal Manager:

Initial: Mayor:

		during fourth quarter at Makweng						,flooring roof, painting , fence, electricity, septic tank and water supply)				ent of the contractor.	quarter of the next financial year.		
Basic Service Delivery	To construct new storm water control infrastructure	Number of km of internal streets and storm water upgraded at Rakgoathwa during second quarter	-	0	R1 500 000.00	R8 500 000.00	R 3 567 907.03	Upgrading 5.9km of Rakgoathwa internal streets and stormwater	-	Contractor appointed on 30/06/2016	Not achieved	Late appointment of service providers due to delays in SCM processes .	Accelerate SCM processes by convening meetings weekly.	Appointment letter	Tec 37

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To construct new storm water control infrastructure	Number of km of storm water lining in Lebowa kgomo during third quarter	-	1	R5 516 075.00 (roll over)	R7 451 000.00 (MIG FUN D) and R2 045 219.49 (MIG Co-FUN DING )	R10 661 490.69	Lining of 4.8km storm water drainage in Lebowa kgomo Zone B	-	100% Contract ion stage	Achieve d	None	None	Compl etion certific ate	Tec 38
Basic Service Delivery	To construct new storm water control infrastructure	Number of km of road and storm water upgraded from Rockville to	-	7.2km	R2 500 000.00 (roll over)	R9 000 000.00	R 9 911 885.52	Upgrade 1.8km of road and stormw ater from Gravel to block paving (rockville to	-	1.8km of road and stormw ater construc ted	Achieve d	Certificat e of completio n could not be issued due damaged water pipelined by contracto	Contracto r to fix the damaged water pipelined before end of first quarter	Compl etion certific ate	Tec 39

Initial: Municipal Manager:

Initial: Mayor:

	e	Tleane during second quarter						Tleane				r			
Basic Service Delivery	To refurbishment of recreational facilities	Number of refurbished recreational facilities constructed during fourth quarter in Lebowa kgomo	-	0	R755 000.00	R2 400.00	R 2 572 199.45	Refurbishment of one sports complex in Lebowa kgomo	-	98% completed Practical completion	Not Achieved	The contractor busy with the finalization of the high mast lightings	The contractor to complete snack list within 14 days after the date of practical completion	Completion certificate	Tec 40
Basic Service Delivery	To refurbish an existing community facility	Number of municipal and community facilities	-	3550 sqm	R600 000.00 (roll over)	R0.00	R0.00	Paving 1350sqm of zone A and zone F market stall	-	No stall was constructed	Not achieved	The project was suspended by infrastructure portfolio	The LED unit to engage with hawkers committee for usage of	Completion certificate	Tec 41

Initial: Municipal Manager:

Initial: Mayor:

	hall	s refurbi shed/r ehabilt ated during fourth quarter at zone A and zone F						areas: phase 3				committe e due to non- functional ity of the two complete d market stalls areas in zone A and F.	the existing market stalls by hawkers		
Basic Service Deliver	To develo p new informal trading stores	Numbe r of informal trading stores develo ped during fourth quarter at Lebowa kgomo CBD	-	0	R2000 000.00	R0.0 0	R0.00	Develop 60 northern informal trading stores at Lebowa kgomo CBD	-	Projects were advertis ed but on hold due to non- approva l of roll over	Not achieve d	Project on hold due to non- approval of MIG	Project will be re- registered at Coghsta for additional funding.	Design s and Draft tender docum ent	Tec 42

Initial: Municipal Manager:

Initial: Mayor:

Basic Service Delivery	To construct new roads infrastructure	Number of kilometres upgraded from gravel to block paving at zone F phase 3 during fourth quarter	-	0km	R4 302 500.00	R7 0 10 0 00.0 0	R7 397 690.43	Upgrade 7km of gravel road to Block paving at zone F phase 3	-	65% construction stage	Not achieved	Slow progress by contractor. The contractor had to re-do certain sections of the road because the work quality was not up to the required quality	Place the contractor on terms and contractor to expedite progress on site from July 2016 by increasing labour and overtime.	Completion certificate	Tec 43
Basic Service Delivery	Waste disposal infrastructure	Number of dumping sites closed and rehabilitated at Unit A by	-	1	R5000 0 00.00	R2 0 00 0 00.0 0	R474 308.40	Closer and rehabilitation of one dumping site at unit A by June 2016	-	Contractor appointed and busy with the establishment of site.	Not achieved	Late appointment of service providers. Delays in SCM processes, contractor only	To implement the project as a multi-year project for work to be complete	Completion certificate	Tec 44

Initial: Municipal Manager:

Initial: Mayor:

		June 2016										appointed in 14 June 2016.	d in the 2016/17 Financial year as we couldn't achieve our target by end of the 2015/16 FY		
Basic Service Delivery	To construct new community public facility	Number of high mast lights installed at Mampa, Dublin, Mamaolo/Makgoathane village during	-	74	R920 868.00	R0.00	R882 588.00	Number of high mast lights installed during fourth quarter at Mampa, Dublin, Mamaolo/Makgoathane village	-	3	Not achieved	High mast structure completed only waiting for Eskom to ENEGIZATI on.	Follow up to be done with Eskom before end of first quarter of the next financial year	Completion certificate	Tec 45

Initial: Municipal Manager:

Initial: Mayor:

		fourth quarter													
Basic Service Delivery	To develop road and master plan	Number of developed and approved road and stormwater master plan for the entire municipal area	-	0	R1 617 000.00	R0.00	1 535 525.60	Development of one road and stormwater master plan by June 2016	-	One road and master plan developed and approved	Achieved	None	None	Approved master plan	Tec 46
Basic service delivery	Waste planning	Number of Recycling Strategy developed by	-	0	R0.00	R0.00	R0.00	Development of one recycling strategy by June 2016	-	0	Not achieved	Delay of submission to Council for approval	Submit the draft strategy to EXCO and Council for approval before	Approved strategy	Com 01

Initial: Municipal Manager:

Initial: Mayor:

		June 2016											end of first quarter of the next financial year		
Basic service delivery	Waste Reporting	Number of waste management information submitted on the Waste Information System on a quarterly basis	-	4	R0.00	R0.00	R0.00	Submission of four waste management reports on a quarterly basis (one report per quarter)	-	four report submitted	Target achieved	None	None	South African waste information system report	Com 02
Basic service delivery	Waste collection in urban areas	Weekly waste collection in Lebowa	-	8507	R0.00	R0.00	R0.00	8560 collection of waste per quarter	-	Collected 8560 of waste at Lebowa kgomo	Target achieved	None	None	Vehicle log sheet and weekly	Com 03

Initial: Municipal Manager:

Initial: Mayor:

		kgomo			R5 000 000. 00	R0.0 0	R5 917 790.66							progra m	
Basic servic e deliv ery	Waste collecti on in rural areas	Weekly waste collecti on in Mathibe la, Rakgoa tha, Matome and Makwe ng	-	1124 0				Collecti on of 11240 of waste in Mathibe la, Rakgoth a, Matome and Makwen g	-	Collecte d 11240 of waste at Mathibe la, Rakgoth a, Matome and Makwen g	Target achieve d	None	None	Vehicl e log sheet and weekly progra m	Co m0 4
Basic servic e deliv ery	Extensi on of waste collecti on service s	Numbe r of new househ old provide d with weekly waste collecti on in Mamao lo,	-	0	R3 000 000.00 (did not spent project disconti nued)	R0.0 0	R0.00	15000 househo lds provide d with weekly waste collectio n in Mamaol o, Seleteng , Mohodi, Dithaba	-	0	Target not achieve d	Mphahle le and Kekana traditiona l authoritie s indicated that they need municipal ity to give 1% of revenue collected	Finalise negotiatio ns with the traditiona l authoritie s before end of first quarter of the next financial year	vehicle log sheet and weekly progra m	Co m 05

Initial: Municipal Manager:

Initial: Mayor:

		Seleteng, Mohod i, Dithabaneng, Makurung, Moetlane, and Magatle Villages						neng, Makurung, Moetlane and Magatle villages				for waste collection			
Basic service delivery	Waste disposal infrastructure	Number of monthly management reports produced on the landfill site	-	12	R3 800 000.00	R0.00	R3 029 760.36	Conduct twelve monthly management meetings on landfill site (3 per quarter)	-	12 meetings held	Target achieved	None	None	Monthly reports	Com06
Basic service	Waste disposal	Number of	-	0	R200 000.00	R1 000 000	R263419.20	Five illegal	-	Thirteen illegal	Target achieved	None	None	Report	Com

Initial: Municipal Manager:

Initial: Mayor:

e deliv ery	al infrast ructur e	illegal dumpin g sites cleane d within Lebowa kgomo and Zebedi ela: quarter ly (one per quarter )				00.0 0		dumpin g sites cleaned within Lebowa kgomo and Zebediel a quarterl y		dumpin g sites were closed	d					07
Local econ omic devel opme nt	Provisi on of FBS	Numbe r of review ed indigen t register annual ly	-	0	R0.00	R0.0 0	R0.00	Review one indigent register during the fourth quarter	-	One approve d indigent register	Target achieve d	None	None	Revie wed indige nt registe r and counci l resolut ion	Co m 08	
Local econ	Job creatio	Numbe r of	-	209	R1525 0	R0.0 0	R1 434 207.10	Appoint ment of	-	420 benefici	Target achieve	None	None	MIS Report	Co m	

Initial: Municipal Manager:

Initial: Mayor:

omic development	n	EPWP beneficiaries appointed for waste, environment and facilities management			00.00			400 EPWP beneficiaries for waste environment during the 1 <sup>st</sup> quarter		aries appointed	d			and appointment letters	09
Spatial rationale	To upgrade and beautify existing parks	Number of existing parks beautified in Lebowa kgomo Units P,R, & S	-	5	R50 000	R0.00	R84 222.00	Beautify three existing parks in Lebowa kgomo unit P,R & S during the 1 <sup>st</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> quarter	-	0	Target not achieved	Poor planning by department. The amount spent was for beautification of traffic station office and as planned.	The municipality to appoint a horticulturist for beautification of parks during the next financial year	Report and photos	Com 10
Spatial	Effective	Number of	-	17	R500 000.00	R0.00	R0.00	Cleaning of 26	-	26 facilities	Target achieved	None	None	Inspection	Com

Initial: Municipal Manager:

Initial: Mayor:

ratio nale	Public Faciliti es Manag ement	municipal facilitie s cleane d quarter ly						municipal facilities (26 inspecti on reports)		were cleaned	d			report s	11
Spati al ratio nale	Effecti ve Public Faciliti es Manag ement	Numbe r of a functio nal commu nity gym establis hed at Cultura l Centre	-	0	R0.00	R0.0 0	R0.00	Establis h one commu nity gym at cultural centre during the fourth quarter	-	0	Not achieve d	Poor planning by departme nt. Unavailab ility of property for establish ment of gym	Identify available property through municipal Town Planning for establish ment of gym during next financial year.	Clients visit registe r	Co m 12
Spati al ratio nale	To reduce disaste r incide nts by	Numbe r of disaste r inciden ts attend	-	100%	R50 000 .00	R110 000. 00	R32 607 .80	Attend to 100% disaster incident s quarterl	-	100%	Achieve d	None	None	Disast er incide nts forms signed by both	Co m 13

Initial: Municipal Manager:

Initial: Mayor:

	%	ed to quarterly						y						the assessor and the victim	
Spatial rationale	To ensure provision of relief material disaster victims	Number of disaster storage container purchased	-	0	R100 000.00	R0.00	R53 460.00	Purchase one container for disaster storage	-	One container was procured	Achieved	None	None	Purchase order and delivery note	Com 14
Spatial rationale	To ensure community safety	Number of social sector forum meetings held	-	0	R200 000.00	R0.00	R19 200.00	Conduct twelve social sector forum meetings per quarter (3 per quarter)	-	5 forums were held	Not achieved	Poor planning. CSF forum did not sit due to unavailability of members	The department to do proper planning during IDP sessions when planning their targets in the next financial year	Minutes and attendance register	Com 15

Initial: Municipal Manager:

Initial: Mayor:

Spatial Ratio nal	To promote public road safety	Number of mobile road safety equipment's purchased	-	0	R100 000.00	R0.00	R0.00	Purchase 74 road mobile safety training equipment	-	0	Not Achieved	None appointment of service provider by SCM unit	To remind SCM unit to fast track the appointment of the service provider in the next financial year	Purchase order and delivery note	Com 16
Spatial Ratio nal	To promote public road safety	Number of scholar patrol kits purchased	-	0	R200 000.00	R0.00	R0.00	Purchase five sets of scholar patrol kits during the second quarter	-	0	Not Achieved	None appointment of service provider by SCM unit	To remind SCM unit to fast track the appointment of the service provider in the next financial year	Purchase order and delivery note	Com 17
Spatial Ratio nal	Enforcement of traffic legislation	Number of law enforcement roadblock conducted at hot	-	60	R30 000.00	R0.00	R0.00	Conduct four roadblocks within the municipal jurisdiction	-	4 roadblocks conducted	Target achieved	None	None	Operational plans and reports	Com 18

Initial: Municipal Manager:

Initial: Mayor:

		spots within the jurisdiction of the municipality						on							
Spatial Ratio	Enforcement of traffic legislation	Number of traffic equipment's calibrated half yearly	-	13	R280 000.00	R0.00	R3 563.79	Calibrate thirteen traffic equipment's quarterly	-	0	Not achieved	Delay in the signing of SLA by service provider and municipality	SLA to be signed and the implementation to be done in the next financial year	Calibration certificate	Com 19
Spatial Ratio	Enforcement of municipal by-laws	Number of by-law enforcement operations conducted within the municipal jurisdiction	-	14	R200 000.00	R0.00	R0.00	Impoundment of 100% of illegal structures along public roads within the municipal jurisdiction quarterly	-	0	Target not achieved	The tender was re-advertised for appointment of service provider for removal of illegal structures	The service provider to be appointed before end of first quarter of the next financial year	Register of removed illegal structures	Com 20

Initial: Municipal Manager:

Initial: Mayor:

								y							
Basic service delivery	Compliance to traffic legislation	Number of VTS equipment's calibrated annually	-	1	R280 000.00	R0.00	R14 542.04	Calibrate 13 VTS equipment's annually	-	13	Target achieved	None	None	Calibrating certificate	Com 21
Spatial Rational	Environmental planning	Number of environmental management forum established	-	0	R30 000.00	R0.00	R0.00	A functional local environmental management forum established	-	1	Target achieved	None	None	Minutes and attendance register	Com 22
Spatial Rational	Environmental Compliance and Enforcement	Number of Environmental Compliance Inspections conducted		0	R30 000.00	R0.00	R800.00	Conduct four inspections on environmental compliance quarterly (1 per quarter)	-	4	Target achieved	None	None	Environmental compliance inspection report	Com 23

Initial: Municipal Manager:

Initial: Mayor:

Spatial Rationale	Environmental Compliance and Enforcement	Number of Enforcement of Waste Management By-laws conducted	-	0	R30 000.00	R0.00	R0.00	Conduct four waste management by-laws enforcement quarterly (1 per quarter)	-	3	Target not achieved	The district office instructed Lepelle-Nkumpi municipality to stop from issuing compliance notices	The municipality to work jointly with the district and local economic development department when issuing compliance notices	Environmental compliance notice	Com 24
Spatial Rationale	Environmental Capacity Building	Number of environmental awareness campaigns conducted	-	2	R30 000.00	R0.00	R38335.75	Conduct four environmental awareness campaigns quarterly (1 per quarter)	-	4	Target achieved	None	None	Photos, attendance register and report	Com 25
Spatial Ratio	Environmental Protection	Number of Indigenous	-	100	R200 000.00	-	R85 000.00	Plant 120 000 indigenous	-	64 trees were planted	Target not achieved	Poor planning by department	Indicator to be merged with the	Distribution list of benefits	Com 26

Initial: Municipal Manager:

Initial: Mayor:

nal	tion and Conservation	trees planted						trees during the second and third quarter				nt	indicator for parks and landscaping during the next financial year	ciaries	
Spatial Ratio	Environmental Protection and Conservation	Number of square meter of land area cleared of alien plants	-	250	R500 000.00	R0.00	R669 320.00	Clear 250 of square meter of land area with alien plants per quarter (250 per quarter)	-	420 hectors of land areas was cleared at Mafefe and Dithabang village	Target achieved	None	None	Monthly report	Com 27

Initial: Municipal Manager:

Initial: Mayor:

Spatial Ratio	Environmental Greening and Cleaning	Number of cleaning campaigns conducted	-	4	R30 000	R0.00	Refer to environment and waste management	Conduct four cleaning campaigns quarterly (1 per quarter)	3 campaigns conducted	-	Not achieved	Poor Service delivery by appointed service provider to supply with Refuse bags	Contract terminated and new service provider to be appointed in the next financial year.	Photos, attendance register and report	Com 28
Municipal transformation and organisational development	Recruit & retain competent human capital	Number of vacant & funded positions filled by June 2016	-	12	R100 000.00	R0.00	R5 980.23	Fill 17 vacant positions by June 2016	-	10 Positions filled to date	Not achieved	Positions were frozen due to the implementation of the new structure	Advertise all funded positions in the new structure during 2016/17 financial year	Attendance registers and appointment letters	Corp 01
Municipal transformation and	Review human resource policies	Number of HRM policies reviewed	-	5	R0.00	R0.00	R0.00	Reviewed five policies by June 2016 (Car Allowance)	-	Five policies reviewed and approved	Achieved	None	None	Approved and signed policies and council	Corp 02

Initial: Municipal Manager:

Initial: Mayor:

organ isatio nal devel opme nt	s by June 2016	during Fourth quarter						ce. Subsistence & travel, Cell-phone allowance, Overtime policy, Recruitment policy							l resolut ion	
Muni cipal transf orma tion and organ isatio nal devel opme nt	Revie w emplo yment equity plan	Numbe r of Emplo yment Equity plan review ed by Decem ber 2015	-	1	R0.00	R0.00	R0.00	Review one employ ment equity plan by second quarter	-	One policy review ed on employ ment equity plan	Achieve d	None	None	Counci l resolut ion and the approv ed plan	Cor p 03	
Muni cipal transf orma	Develo p Career &	Numbe r of Career &	-	0	R0.00	R0.00	R0.00	Develop one policy on	-	One policy develop ed on career	Achieve d	None	None	Appro ved career and succes	Cor p 04	

Initial: Municipal Manager:

Initial: Mayor:

tion and organisational development	Succession planning policy	Succession planning policy developed by December 2015						career and succession planning by December 2015		and succession planning				Succession planning policy	
Municipal transformation and organisational development	Development policy on Reasonable Accommodation for People with Disability	Number of Policy on Reasonable Accommodation for People with Disability developed by January 2016	-	0	R0.00	R0.00	R0.00	Develop 1 policy on reasonable accommodation for People with Disability by January 2016	-	One policy developed on reasonable accommodation	Achieved	None	None	Council resolution and approved policy	Corp 05
Muni	Conve	Numbe	-	1	R0.00	R0.0	R0.00	Conduct	-	Four	Achieve	None	None	Minut	Cor

Initial: Municipal Manager:

Initial: Mayor:

cipal transformation and organisational development	ne Employment Equity Forum meetings	r of Employment Equity Forum meetings held on a quarterly basis				0		4 employment equity forum meetings held quarterly (one meeting each quarter)		equity forum meetings conducted	d			es of the meeting and the attendance register	p 06
Municipal transformation and organisational development	Review of the organisational structure	Number of organisational structure approved by June 2016	-	1	R0.00	R0.00	R0.00	Approve one organisational structure by June 2016	-	One organisational structure approved	Achieved	None	None	Approved organisational structure and council resolution	Corp 07
Municipal transformation and organ	Develop WSP	Number of Workplace Skills plan developo	-	1	R0.00	R0.00	R0.00	Develop 1 workplace skills plan by fourth quarter	-	One workplace skills plan developed	Achieved	None	None	Signed workplace skills plan and acknowledged	Corp 08

Initial: Municipal Manager:

Initial: Mayor:

isatio nal devel opme nt		ped and submitt ed to LGSETA by April 2016												ement letter from LGSET A	
Muni cipal transf orma tion and organ isatio nal devel opme nt	Imple ment of skills audit	Numbe r of Skills Audit reports compil ed by March 2016	-	1	R0.00	R0.0 0	R0.00	Compila tion of one skills audit report by March 2016	-	One skills audit report compile d	Achieve d	None	None	Appro ved skills audit report by accou nting officer	Cor p 09
Muni cipal transf orma tion and organ isatio	Trainin g of official s	Numbe r of officials and Council ors trained by 30	-	150	R1 581 210.08 (officials & councill ors)	R0.0 0	R336 38 7.63	Training of 150 officials and 50 councill ors by 30 June 2016	-	20 officials and 2 councill ors trained	Achieve d	None	None	Purcha se requisi tion and attend ance registe r	Cor p 10

Initial: Municipal Manager:

Initial: Mayor:

nal devel opme nt		June 2016													
Muni cipal transf orma tion and organ isatio nal devel opme nt	Conve ne Trainin g Commi tee meetin gs	Numbe r of Trainin g Commi tee meetin gs conven ed quarter ly	-	2	R0.00	R0.0 0	R0.00	Four Training Commit tee meeting s held quarterl y (one quarter)	-	1	Target not achieve d	Meeting were not held due to labour unrest within the institutio n.	The meetings to be planned for 2016/17 financial year	Minut es and attend ance registe r	Cor p 11
Muni cipal transf orma tion and organ isatio nal devel opme	Inspec tion & visit of municip al buildin gs	Numbe r of OHS inspecti ons/visi ts conduc ted on a quarter ly basis	-	24	R280 00 0.00	R0.0 0	R10576 96.00	Conduct twenty four inspecti ons/visi ts on municip al building s on a quarterl y basis	-	54 inspecti ons/visi ts conduct ed	Target achieve d	None	None	Inspec tion report	Cor p 12

Initial: Municipal Manager:

Initial: Mayor:

nt		to all municipal buildings													
Municipal transformation and organisational development	Inspection & visit of municipal construction projects	Number of OHS municipal construction project inspections/visits conducted on a quarterly basis	-	15	R0.00	R0.00	R0.00	Conduct Twenty inspections/visits on municipal construction projects on a quarterly basis	-	20 inspections/visits conducted	Target achieved	None	None	Inspection reports	Corp 13
Municipal transformation and organisational	Convene quarterly Occupational Health and	Number of Occupational Health and	-	4	R0.00	R0.00	R0.00	Convene four Occupational Health and Safety	-	3 occupational health and safety meeting	<b>Target not achieved</b>	None	None	Minutes and attendance register	Corp 14

Initial: Municipal Manager:

Initial: Mayor:

isatio nal devel opme nt	Health and Safety meetin gs	Safety meetin gs conven ed quarter ly						meeting s		s convene d					
Muni cipal transf orma tion and organ isatio nal devel opme nt	Conve ne Local Labour Forum meetin gs	Numbe r of monthl y Local Labour Forum meetin gs conduc ted quarter ly	-	8	R0.00	R0.0 0	R0.00	Conven e and hold twelve Local Labour Forum meeting s (three meeting s per quarter)	-	8 local labour forum meeting s held	Target achieve d	None	None	Minut es and attend ance registe r	Cor p 15
Muni cipal transf orma tion and organ	Conve ne Local Labour Forum meetin	Numbe r of Labour Relatio ns worksh	-	4	R0.00	R0.0 0	R0.00	Conduct four labour relation s worksho ps on a	-	3	Target not achieve d	Worksho p not conduce d due to labour unrest	worksho ps to be planned for next financial year	Minut es and attend ance registe r	Cor p 16

Initial: Municipal Manager:

Initial: Mayor:

isatio nal devel opme nt	gs	ops conduc ted on a quarter ly basis						quarterl y basis							
Muni cipal transf orma tion and organ isatio nal devel opme nt	Condu ct emplo yees wellne ss works hop	Numbe r of employ ee wellnes s worksh ops conduc ted by June 2016	-	0	R150 00 0.00	R0.0 0	R0.00	Conduct four worksho ps on employ ee wellness (one per quarter)	-	0	Target not achieve d	Worksho ps could not be conducted due to negotiations on salary disparities	workshop s to be planned for next financial year	Attend ance registre r	Cor p 17
Muni cipal transf orma tion and organ isatio nal devel	Numb er of functio nal electro nic Budget reporti ng	R400 0 00.00 (Under Professi onal Fees,m SCOA )	-	0	R400 00 0.00 (Under Professi onal Fees,mS COA )	R0.0 0	R0.00	Install One electron ic budget reportin g system by fourth	-	0	Target not achieve d	National treasury issued circular for suspensio n on procurem ent of financial	Waiting for National Treasury to finalise the implemen tation of mSCOA process	Func tional electro nic budget reporti ng system	Cor p 18

Initial: Municipal Manager:

Initial: Mayor:

opme nt	system modul e imple mente d during fourth quarte r							quarter				managem ent systems due to mSCOA implemen tation	before end of June 2016 for Municipal implemen tation during 2016/17 financial year		
Muni cipal transf orma tion and organ isatio nal devel opme nt	Develo pment of ICT Policy Frame work	Numbe r of approv ed ICT Govern ance Policy Frame work during fourth quarter	-	0	R1 000 000.00 (Under Professi onal Fees)	R0.0 0	R0.00 (it was done in- house)	Develop one ICT governa nce policy framew ork during fourth quarter	-	1	Target achieve d	None	None	An approv ed ICT Govern ance frame work	Cor p 19
Muni cipal transf orma tion	Develo pment and imple menta	Numbe r of functio nal GIS installe	-	0	R300 00 0.00 (Under Professi onal Fees)	R0.0 0	R0.00 (user departm ent did not draft	Install one function al GIS during fourth	-	0	Target not achieve d	User departme nt did not draft terms of reference	GIS software installed by CoGHSTA on the 23	Func tional GIS	Cor p 20

Initial: Municipal Manager:

Initial: Mayor:

and organ isatio nal devel opme nt	tion of GIS	d during fourth quarter					terms of referenc e)	quarter					July 2016 and training to be provided by CoGHSTA after the installatio n of the software		
Muni cipal transf orma tion and organ isatio nal devel opme nt	Revie w of Disast er Recov ery Plan	Numbe r of the revised and approv ed DRP during fourth quarter .	-	0	R500 000 00 (Under Professi onal Fees)	R0.0 0	R0.00 (Non- approva l of memo by Acting Municip al Manage r)	Review one disaster recover y plan during the fourth quarter	-	0	Target not achieve d	None approval of memo by acting municipal manager for appointm ent of service provider	The memo to be send to Council for approval as during the first quarter of the next financial year as per request by Acting Municipal Manager	Revie wed and approv ed DRP	Cor p 21
Muni cipal transf orma tion	Revie w of Inform ation	Numbe r of Service Level	-	0	R0.00	R0.0 0	R0.00	Review of three Informa tion	-	1	Target achieve d	None	None	Revie wed and approv ed	Cor p 22

Initial: Municipal Manager:

Initial: Mayor:

tion and organisational development	Communication & Technology Service Level Agreements	Agreements reviewed by June 2016						Communication & Technology Service Level Agreements during third quarter.						service level agreements	
Municipal transformation and organisational development	Procurement of Desktop Computers	Number of Desktop Computers procured by June 2016	-	15	R150 000.00 (Information Technology Facilities vote)	R0.00	R640 955.73	Procure fifteen desktop computers by June 2016	-	15 desktop computer procured	Target achieved	None	None	Desktops and delivery note	Corp 23

Initial: Municipal Manager:

Initial: Mayor:

Municipal transformation and organisational development	Procurement of Laptop computers	Number of Laptop Computers procured by March 2016	-	15	R200 000.00 (Information Technology Facilities vote)	R0.00		Procure twelve Laptop computer by March 2016	-	12 laptop computer procured	Target achieved	None	None	Laptops and delivery note	Corp 24
Municipal transformation and organisational development	Procurement of Printers	Number of Printers procured by March 2016.	-	8	R30 000.00 (Information Technology Facilities vote)	R0.00		Procure eight printers by March 2016	-	6 Printers procured	Target not achieved	None	None	Printers and delivery note	Corp 25
Municipal transf	Procurement of	Number of Tally	-	1	R400 000.00 (Under	R0.00	R0.00	Procure one tally machine	-	0	Target not achieve	The indicator was	Departmental head to involve	Purchase order	Corp 26

Initial: Municipal Manager:

Initial: Mayor:

ormation and organisational development	Tally machine for statements	machine procured during third quarter			Information Technology Facilities )			during the third quarter			d	discontinued due to wrong bid specification by user department	IT unit when drafting their terms of reference during the first quarter of the next financial year	and delivery note	
Municipal transformation and organisational development	Implementation of Electronic Records/documents management system	Functional electronic records/documents management system	-	0	R1 000 000.00 (Under Professional Fees)	R0.00	R0.00	Install one functional electronic records/documents management system 4 <sup>th</sup> quarter	-	0	Target not achieved	BCX busy with the installation of the system	The project still in progress and to be finalised before end of second quarter of the next financial year.	Completion certificate	Corp 27
Municipal transformation	Provide cost effective fleet	Number of Motor vehicle procur	-	1	R2 500 000.00	R0.00	R2 681 929.82	Procurement of five motor vehicles during	-	3 vehicles were procured	Target not achieved	One mini bus was procured and still waiting for	Follow ups to be done with the supplier to deliver	5 motor vehicles and delivery note	Corp 28

Initial: Municipal Manager:

Initial: Mayor:

and organisational development	operations	ed during the third quarter						the third quarter				delivery by supplier. The other vehicle could not be procured due to shortage of funds.	before end first quarter of the next financial year		
Municipal transformation and organisational development	Provide cost effective fleet operations	Number of Graders procured during the third quarter	-	1	R3 500 000.00		R3 410 697.00 (Grader) and R341 384.40 (half truck)	Procurement of one Grader and half truck during the third quarter	-	One grader and one half truck procured	Target achieved	None	None	One grader and half truck and delivery note	Cor p 29
Municipal transformation and	Provide cost effective fleet operations	Number of TLB procured during the	-	0	R800 000.00	R0.00	R945 000.00 (TLB)	Procurement of one TLB during the third quarter	-	one TLB procured	Target achieved	None	None	One TLB and delivery note	Cor p 30

Initial: Municipal Manager:

Initial: Mayor:



		quarter													
Municipal transformation and organisational development	Provide cost effective fleet operations	Number of Compactor truck and TLB procur ed during the third quarter	-	0	R6 800 000.00	R0.0 0	R945 00 0.00 (TLB) and R2 126 004.00 (Compactor truck)	Procurement of Compactor truck and TLB during the third quarter	-	1 TLB and two compact or truck procure d	Target achieve d	None	None	Compactor truck and TLB and deliver y note	Cor p 33
Municipal transformation and organisational development	Provide cost effective fleet operations	Number of Trailers procur ed during the third quarter	-	0	R100 00 0.00	R0.0 0	R59 000 .00	Procurement of two trailers during the third quarter	-	2 trailers procure d	Target achieve d	None	None	Two trailers and deliver y note	Cor p 34

Initial: Municipal Manager:

Initial: Mayor:

Municipal transformation and organisational development	Provide cost effective fleet operations	Number of monthly reports on vehicle planned maintenance and cost management systems captured quarterly	-	12	R0.00	R0.00	R0.00	Capture twelve reports on vehicle planned maintenance management system	-	nine reports captured	Target not achieved	None	None	3 Fleet management reports	Corp 35
Municipal transformation and organisational development	Provide security systems for safety	Number of weekly Security site visits conducted	-	48	R0.00	R0.00	R0.00	Conduct 48 weekly Security sites visits at Municipal	-	36 Security visits conducted	Target not achieved	None	None	Weekly security site visit reports	Corp 36

Initial: Municipal Manager:

Initial: Mayor:

nal devel opme nt	of staff and munici pal assets	ted at Munici pal Propert ies						Properti es							
Muni cipal transf orma tion and organ isatio nal devel opme nt	Provid e securit y system s for safety of staff and munici pal assets	Numbe r of surveill ance camera s installe d during fourth quarter	-	20	R100 00 0.00	R0.0 0	R0.00	Install twenty surveilla nce camera s during fourth	-	0	Target not achieve d	the project was discontin ued and the departme ntal head was requested to go and do research on the new system used	The departme ntal head to conduct market research on the new developm ents in terms of the system during the second quarter of the next financial year	Compl etion certific ate	Cor p 37
Muni cipal transf	Facilita te, co- ordina	Numbe r of cases	-	0	R3 500 000.00	R0.0 0	R661 19 8.70	Handle hundred percent of cases	-	100%	Target achieve d	None	None	Regist er of legal cases	Cor p 38

Initial: Municipal Manager:

Initial: Mayor:

ormation and organisational development	te and manage cases	handle d quarterly						quarterly						and litigation report	
Municipal transformation and organisational development	Review of By Laws	Number of By-Laws reviewed quarterly	-	0	R0.00	R0.00	R0.00	Review of twenty By-Laws	-	1	Target achieved	None	None	Reviewed and approved by-laws	Cor p 39
Municipal transformation and organisational development	Draft and edit contracts	Number of contracts drafted and	-	40	R0.00	R0.00	R0.00	Draft and edit twenty contracts	-	33	Target achieved	None	None	Drafted contracts	Cor p 40

Initial: Municipal Manager:

Initial: Mayor:

isatio nal devel opme nt		edited quarter ly													
Good gover nanc e and publi c partic ipatio n	Provid e munici pal accoun tability and strengt hen local democ racy	Numbe r of Annual Ward Commi tee confere nce held during third quarter	-	1	R800 00 0.00	R0.0 0	R6 65 907.00	Conduct one annual ward confere nce committ ee during third quarter	-	One confere nce was conduct ed	Target achieve d	None	None	Minut es and the presen tations	Cor p 41
Good gover nanc e and publi c partic ipatio n	Provid e munici pal accoun tability and strengt hen local democ	Numbe r of Ward Commi tee training worksh ops conduc ted during	-	1	R250,00 0.00	R0.0 0	R149 55 3.00	Conduct one ward committ ee training worksho p	-	One training was conduct ed	Target achieve d	None	None	Attend ance registe rs and presen tations	Cor p 42

Initial: Municipal Manager:

Initial: Mayor:

	racy	fourth quarter													
Good governance and public participation	Provide effective and efficient council support management	Number of Ward Forums conducted during the 1 <sup>st</sup> , 2 <sup>nd</sup> and 4 <sup>th</sup> quarter	-	3	R100 000.00	R0.00	R	Conduct three ward forums during the first, second and fourth quarter	-	Three forums were conducted	Target achieved	None	None	Minutes and attendance registers	Cor p 43
Good governance and public participation	Provide effective and efficient council support management	Number of Bi-monthly Ward Committee meetings held quarterly	-	155	R0.00	R0.00	R0.00	Conduct 174 Bi-monthly ward committee meetings	-	19 ward committee meetings conducted	Target achieved	None	None	Minutes and attendance registers	Cor p 44
Good governance	Provide	Number of	-	122	R0.00	R0.00	R0.00	Conduct twelve Exco	-	12 Exco meetings	Target achieved	None	None	Minutes and attend	Cor p 45

Initial: Municipal Manager:

Initial: Mayor:

e and public participation	effective and efficient council support management	EXCO meetings held quarterly						meetings (three per quarter)		conducted				attendance registers	
Good governance and public participation	Provide effective and efficient council support management	Number of annual ordinary Council Meetings held quarterly	-	06	R262 278.00	R0.00	R54 578.90	Conduct six annual ordinary council meetings (one meeting during first, second and fourth and three during third quarter)	-	six annual ordinary council meetings conducted	Target achieved	None	None	Minutes and attendance registers	Corp 46
Good governance	Provide effective	Number of monthl	-	80	R0.00	R0.00	R0.00	Conduct ninety portfolio	-	Nine portfolio	Target achieved	None	None	Minutes and attend	Corp 47

Initial: Municipal Manager:

Initial: Mayor:

Good governance and public participation	Provide effective and efficient council support management	Number of Portfolio Meetings held quarterly						Number of meetings (24 meetings per quarter)		Committee meetings held				Attendance registers	
Good governance and public participation	Provide effective and efficient MPAC support	Number of Municipal Public Accounts Committee Public Hearings conducted quarterly	-	1	R140 000.00	R150 000.00	R166 039.88	Conduct one municipal public hearing committee meeting during third quarter	-	One public hearing conducted	Target achieved	None	None	Notices, invitation letters, attendance register and minutes	Corp 48
Good governance	Provide effective	Number of oversight	-	1	R0.00	R0.00	R0.00	Submit one oversight	-	One oversight report	Target achieved	None	None	Attendance register	Corp 49

Initial: Municipal Manager:

Initial: Mayor:

e and public participation	ve and efficient MPAC support	ht Reports on annual report submitted to council during the fourth quarter						t report on annual report to council during fourth quarter		submitted				r, council resolution and prove of submission to stakeholders	
Municipal transformation and organisational development	Provide cost effective fleet operations	Number of fleet management strategy implemented by June 2016	-	1	R250 000.00	R0.00	R0.00	Implementation of one strategy on fleet management during fourth quarter	-	One fleet management strategy implemented	Target achieved	None	None	Management reports	Corp 50
Municipal transformation	Review the IDP & Budget	Reviewed and approved IDP	-	1	R1 200 000.00	R0.00	R999 341.65	Approved one 16/17 FY IDP& Budget/	-	1	Target achieved	None	None	Notice of meetings, minutes	Plend 01

Initial: Municipal Manager:

Initial: Mayor:

and organisational development	annually in order to meet changing service delivery needs	& Budget by May 2016						by 31 May 2016						es & attendance register of meetings, approved 16/17 IDP & budget & council resolution	
Municipal transformation and organisational development	Develop 2040 growth development strategy	Development & Approval of the 2040 blue print vision; * Approval of the	-	0	R500 000.00 (Under Professional Fees)	R0.00	R0.00 The budget was moved for spatial development (LSDF)	Approved one 2040 growth development strategy by May 2016	-	0	Target not achieved	Shortage of funds	Project to be revised for implementation in the 2016/17 financial year	Notices & adverts of launch & attendance register	Plend 02

Initial: Municipal Manager:

Initial: Mayor:

		plan by Council · Launch of the vision 2030; by May 2016													
Local economic development	Promote economic development initiatives of SMME's and Co-operatives	Number of capacity building & Information sharing sessions held with SMME's quarterly	-	2	R210 000.00 (SMME suppose vote)	R0.00	R0.00	Conduct four sessions with SMME's (one per quarter)	-	10	Target achieved	None	None	Notices & adverts of launch & attendance register	Pled 03
Local econ	Promote	Number of	-	0		R0.0	R0.00	Link four	-	4	Target achieve	None	None	Acknowledg	Pled04

Initial: Municipal Manager:

Initial: Mayor:

omic development	economic development initiatives of SMME's and Cooperatives	SMME and Cooperatives linked through business plans for funding quarterly				0		SMME's and Cooperatives for funding (one per quarter)			d			ement of application letter for funding	
Local economic development	To promote economic development initiatives of SMME's and Cooperatives	Number of exhibitions conducted quarterly	-	3	R52 900.00	R0.00	R0.00	Conduct four exhibitions quarterly (one per quarter)	-	3	Target not achieved	None	None	Notice, attendance register and agenda	Pled 05

Initial: Municipal Manager:

Initial: Mayor:

Local economic development	To promote economic development initiatives of SMME's and Co-operatives	Review SMME's and Co-Operatives database by 2 <sup>nd</sup> quarter	-	1	R0.00	R0.00	R0.00	Review one SMME and Cooperative database during second quarter.	-	1	Target achieved	None	None	Reviewed SMME's and cooperatives database	Period 06
Local Economic Development	To promote economic development initiatives of SMME's and Co-operatives	Number of SMME's and co-operative monitoring and support site visits undertaken	-	0	R0.00	R0.00	R0.00	Undertake twelve SMM's and Cooperative monitoring and support visits(1 <sup>st</sup> quarter (4) & 2 <sup>nd</sup> quarter(2), 3 <sup>rd</sup> quarter	-	12	Target not achieved	None	None	Site visits reports & picture, site visit register	Period 07

Initial: Municipal Manager:

Initial: Mayor:

	ives	aken quarterly						( 2 ) and 4 <sup>th</sup> quarter (4)							
Local Economic Development	To create temporary jobs to local communities	Number of work opportunities created through EPWP quarterly	-	200	R0.00	R0.00	R0.00	Create 200 work opportunities through EPWP (50 per quarter)	-	220	Target achieved	None	None	Signed employment contract	Pled 08
Local Economic Development	To create temporary jobs to local communities	Number of jobs created through other Municipal Initiatives quarterly	-	450	R0.00	R0.00	R0.00	Create 400 jobs through other municipal initiatives (100 per quarter)	-	0	Target not achieved	Unstable and fluctuating labour market	None	Signed employment contract and council resolution	Pled 09
Local	Provid	% of	-	0	R0.00	R0.00	R0.00	License	-	100%	Target achieve	None	None	Copies of	Pled

Initial: Municipal Manager:

Initial: Mayor:

Economic Development	Support to informal sector, SMME's and cooperatives	informal traders licence d operating in Lebowa kgomo Township annually				0		100% of informal trader operating within Lebowa kgomo township			d			license s issued	10
Local Economic Development	Provide support to informal sector	Number of sector Forums held per quarter	-	0	R26 450 .00	R0.0 0	R0.00	Conduct six sector forums (2 during 1 <sup>st</sup> & (2) 2 <sup>nd</sup> and 1 during 3 <sup>rd</sup> & (1) during 4 <sup>th</sup>	-	6	Target achieved	None	None	Invitation letters , agenda and minutes	Pled 11
Local Economic Development	Provide support to	Facilitate the Implementation	-	0	R0.00	R0.0 0	R0.00	Facilitate the Implementation of one	-	11	Target achieved	None	None	Progress report to Council	Pled 12

Initial: Municipal Manager:

Initial: Mayor:

opme nt	inform al sector	n of approved LED Strategy during the first quarter						approve d LED strategy quarterl y							
Local Econ omic Devel opme nt	Monit or outdo or advertis ing	100% Manag ement and regulati on of outdoo r advertis ing from second quarter to fourth quarter	-	0	R0.00	R0.0 0	R0.00	Manage and regulate 100% of outdoor adverts	-	100% outdoor adverts manage d and regulate d	Target achieve d	None	None	Issued warnin g letters to non- compli ant	Ple d 13
Local Econ	To promo	LED Leaner	-	0	R327 92 6.10	R0.0 0	R0.00	Appoint two LED	-	0	Target not	CoGHSTA did not	Follow up letter to	Quarte rly	Ple d

Initial: Municipal Manager:

Initial: Mayor:

omic Devel opme nt	te econo mic develo pment initiati ves of SMME' s and Co- operat ives	hips appoint ed						Leaners hips during the second quarter			achieve d	give municipal ity condition s for the grant allocated to the municipal ity	be written to CoGHSTA by the Accountin g officer	manag ement report and individ ual assess ment report by unit manag er	14
Spati al Ratio nale	To monit or, guide and contro l spatial develo pment within the munici pality	Numbe r of spatial plannin g aware ness session s held with all the traditio nal authori ties within	-	3	R0.00	R0.0 0	R0.00	Conduct two spatial planning aware ness sessions with all the traditio nal authorit ies	-	2 aware ness conduct ed	Target achieve d	None	None	Notice of meeti ng, presen tations and attend ance registe r	Ple d 17

Initial: Municipal Manager:

Initial: Mayor:

		the municipality													
Spatial Rationale	Management and control of Land Use within the municipality	% of applications for land use rights (R188 & R293 & Lebowa kgomo Town Planning Scheme processed within 3 months)	-	0	R0.00	R0.00	R0.00	Process 100% of applications for land use rights quarterly	-	100% applications were processed	Target achieved	None	None	Application register	Pled 18
Spatial	Jointly established	Joint established	-	0	R0.00	R0.00	R0.00	Establish one	-	one municipality	Target achieved	None	None	Gazetted	Pled

Initial: Municipal Manager:

Initial: Mayor:

Ratio nale	sh a munici pal tribu nal in line with SPLUM A imple menta tion	hed munici pal tribuna l by 4 <sup>th</sup> quarter				0		munici pal tribuna l by 4 <sup>th</sup> quarter		al tribunal establis hed	d			SPLU MA by- laws	19
Spati al Ratio nale	Monit or, guide and contro l spatial develo pment within the munici pality	% of compli ance and non- compli ance Land Use rights inspecti ons conduc ted in Lebowa kgomo	-	0	R0.00	R0.0 0	R0.00	Conduct 100% inspecti ons on compli ance and non- compli ance Land use rights in Lebowa kgomo quarterl y	-	100% inspecti ons were conduct ed	Target achieve d	None	None	Site inspec tion report s/notic es with pictur es	Ple d 20

Initial: Municipal Manager:

Initial: Mayor:

		Township quarterly													
Spatial Rationale	Monitor, guide and control spatial development within the municipality	% of non-compliance land invasion inspections conducted on municipal owned properties quarterly	-	0	R0.00	R0.00	R0.00	Conduct 100% inspections on municipal owned properties (Land invasions) quarterly		100% inspections were conducted	Target achieved	None	None	Site inspection reports/ notices with pictures	Plend 21
Spatial Rationale	To monitor, guide and	Registration of Municipal Property	-	0	R 1 100 000.00 (Under Professional Fees)	R0.00	R0.00	Registration of 1100 Municipal Property	-	0	Target not achieved	Reliance on the service provider	Service provider to expedite the process	Copy of submission to deeds office	Plend 22

Initial: Municipal Manager:

Initial: Mayor:

	control spatial development within the municipality	ies in Lebowa kgomo Township to municipal name						es in Lebowa kgomo township to municipal name (275 per quarter)						and ownership print out	
Spatial Rationale	To monitor, guide and control spatial development within the municipality	Number of hectare of state land facilitated for acquisition for Buy Back Centre by 2 <sup>nd</sup> quarter	-	0	R0.00	R0.00	R0.00	Facilitate five hectares of state land for acquisition (for Buy Back Centre) by Fourth quarter	-	0	Target not achieved	The process of transferring land is long	Develop a work plan for the transfer of land	Letter of transfer of site to the municipality from department of rural development and land reform	Pled 23
Spatial Ratio	To monitor,	Number of hectare	-	0	R0.00	R0.00	R0.00	Facilitate 20 hectares	-	Erf-08 of portion 22 GA	Target achieved	None	None	Letter of transf	Pled 24

Initial: Municipal Manager:

Initial: Mayor:

nale	guide and control spatial development within the municipality	of state land facilitated for acquisition for Cemetery by 2 <sup>nd</sup> quarter						of state land for acquisition (for Cemetery) during 4th quarter		was earmarked for cemetery				er of site to the municipality	
Spatial Rationale	To monitor, guide and control spatial development within the municipality	Updated municipal valuation system through supplementary roll	-	1	R 759 009.00 (Under Profession Fees)	R0.00	R0.00	Update one municipal valuation system through the supplementary roll on a quarterly basis	-	1 valuation roll updated	Target achieved	None	None	Certified supplementary valuation roll	Pled 25
Spatial	To monitor	Number of	-	0	R0.00	R0.0	R0.00	Dispose 300	-	75 sites dispose	Target not	Municipality to	Engage with CDM	Copy of	Pled

Initial: Municipal Manager:

Initial: Mayor:

Ratio nale	or, guide and contro l spatial develo pment within the munici pality	sites dispose d at Lebowa kgomo Townsh hip				0		sites at Lebowa kgomo townshi p		d in Lebowa kgomo	achieve d	develop sites and dispose on reasonabl e amount	and Coghsta on provision of services	cleara nce certific ates	26
Spati al Ratio nale	To monit or, guide and contro l spatial develo pment within the munici pality	% of Buildin g plans approv ed/con sidered within 30/60d ays	-	0	R0.00	R0.0 0	R0.00	Approve /conside r100% of the submitt ed building plans within 30/60 days	-	100% inspecti on conduct ed	Target achieve d	None	None	Buildin g plan registe r	Ple d 27

Initial: Municipal Manager:

Initial: Mayor:

Spatial Rationale	To monitor, guide and control spatial development within the municipality	% of inspections conducted to ensure national building regulation compliance quarterly	-	0	R0.00	R0.00	R0.00	Conduct 100% inspections to ensure compliance with the National building regulation quarterly	-	100% inspection conducted	Target achieved	None	None	Site inspection reports, notices with pictures	Plend 28
Spatial Rationale	To monitor, guide and control spatial development within the	Facilitation the implementation of Lebowa kgomo LSDF quarter	-	0	R0.00	R0.00	R0.00	Facilitate the Implementation of the LSDF within Lebowa kgomo quarterly	-	0	Target not achieved	The service provider was appointed to do terms of reference	follow ups to be done with the appointed service provider	Council resolution	Plend 29

Initial: Municipal Manager:

Initial: Mayor:

	municipality	ly													
Financial Viability and Management	To compile a Performance based budget aligned to the IDP and SDBIP	Approved final Budget by May 2016	-	1	R0.00	R0.00	R0.00	Approve one budget by May 2016	-	one policy approved	Target achieved	None	None	Council resolution on approved budget	B+T 01
Financial Viability and Management	To review budget related policies	Approved budget policy by May 2016	-	02	R0.00	R0.00	R0.00	Approve two budget policies by May 2016 (Budget & Virement policy, Cash & Investment Management)	-	2 policies approved	Target achieved	None	None	Council resolutions on the final policies	B+T 02

Initial: Municipal Manager:

Initial: Mayor:

								ment Policy)							
Financial Viability and Management	Monitor financial performance of the institution	Number of monthly and quarterly financial reports submitted to the Mayor, Council, Treasury, CoGTA Public Works, FMG and MSIG website	-	12	R0.00	R0.00	R0.00	Submit twelve financial reports to the Mayor, Council, treasury, CoGHSTA, Public works, FMG and MSIG website quarterly	-	12 reports submitted	Target achieved	None	None	Proof of submission to CoGHS TA, public works and publication on the website and council resolution for 4 <sup>th</sup> quarter	B+T 03

Initial: Municipal Manager:

Initial: Mayor:

Financial Viability and Management	To compile monthly bank reconciliations	Number of monthly bank reconciliations compiled	-	12	R0.00	R0.00	R0.00	Compile twelve monthly bank reconciliations	-	12 reports compiled	Target achieved	None	None	Monthly signed reconciliation reports by accounting Officer	B+T 04
Financial Viability and Management	To compile a GRAP compliant fixed assets register	Number of GRAP compliant assets register by Aug 2015	-	1	R 1 200 000.00	R0.00	R714 666.14	Compile One GRAP compliant assets register by august 2015	-	one register compiled on GRAP	Target achieved	None	None	Updated assets register	B+T 05
Financial Viability and Management	To review asset management policy	Number of approved asset management policy by the	-	1	R0.00	R0.00	R0.00	One approved assets management policy by May 2016	-	one policy approved	Target achieved	None	None	Council resolution on the draft policies	B+T 06

Initial: Municipal Manager:

Initial: Mayor:

		May 2016													
Financial Viability and Management	To safeguard municipal assets	Number of assets verification reports by Dec 2015 and June 2016	-	04	R0.00	R0.00	R0.00	Draft four assets verification reports by December 2015 and June 2016	-	four reports drafted	Target achieved	None	None	Assets verification report	B+T 07
Financial Viability and Management	To safeguard municipal assets	Number of Monthly Asset Reconciliation performed	-	12	R0.00	R0.00	R0.00	Perform twelve monthly assets reconciliations quarterly (3 per quarter)	-	12 monthly reconciliations performed	Target achieved	None	None	Monthly signed reconciliation reports by accounting officer	B+T 08
Financial Viability and Management	To review supply chain management	Approved supply chain management	-	1	R0.00	R0.00	R0.00	Approve one supply chain management	-	one policy approved	Target achieved	None	None	Council resolution on the draft	B+T 09

Initial: Municipal Manager:

Initial: Mayor:

Management	ement policy	ement policy by the May 2016						policy by May 2016						police s	
Financial Viability and Management	Implementation of the Municipal Procurement plan, SCM policy and regulations	Number of monthly and quarterly SCM reports submitted to National Treasury, Provincial Treasury and Council	-	12	R0.00	R0.00	R0.00	submit twelve monthly and quarterly SCM reports to National treasury , provincial treasury and Council quarterly (3 per quart)	-	12 reports submitted	Target achieved	None	None	3 monthly SCM Reports, proof of monthly submission to national ,provincial treasury and Council. Resolution for the first quarter	B+T 10
Financial	To develop	Signed off	-	1	R0.00	R0.00	R0.00	Sign one SCM	-	one SCM	Target achieved	None	None	Approved	B+T 11

Initial: Municipal Manager:

Initial: Mayor:

Viability and Management	Annual SCM procurement plan	Annual SCM procurement plan by the 30th June 2016				0		procurement plan by 30 <sup>th</sup> June 2016		procurement plan signed				procurement plan by the accounting Officer	
Financial Viability and Management	To conduct SCM workshops with service providers	Number of SCM workshops with service providers by March 2016	-	01	R0.00	R0.00	R0.00	Conduct one SCM workshop with the service providers by March 2016	-	one SCM workshop conducted	Target achieved	None	None	Number of SCM workshops conducted	B+T 12
Financial Viability and Management	To conduct Bid Committee workshops	Number of Bid Committee Workshops conducted	-	1	R0.00	R0.00	R0.00	Conduct one workshop on BID committee by September	-	one workshop conducted	Target achieved	None	None	Number of bid committee workshops conducted	B+T 13

Initial: Municipal Manager:

Initial: Mayor:

nt	with Bid Committee Members and SCM Officials	ted by September 2015						2015						cted	
Financial Viability and Management	To review service providers database	Number of database reviews conducted by Dec 2015, Mar and June 2016	-	3	R0.00	R0.00	R0.00	Review three database by December 2015, March of 2016 and June 2016	-	3 database reviewed	Target achieved	None	None	Advert and reviewed database	B+T 14
Financial	To conduct	stock take	-	2	R0.00	R0.00	R0.00	Do two stock take	-	2 reports compile	Target achieved	None	None	Stock take report	B+T 15

Initial: Municipal Manager:

Initial: Mayor:

Viability and Management	Annual stock take	report by Dec 2015 and June 2016						reports by December 2015, and June 2016		d				signed by the Accounting Officer	
Financial Viability and Management	To compile monthly stock reconciliations	Number of monthly stock reconciliation reports	-	12	R0.00	R0.00	R0.00	Compile twelve Stock monthly reconciliation reports Quarterly (3 per quarter)	-	12 reports were compiled	Target achieved	None	None	Stock reconciliation reports signed by Accounting Officer	B+T 16
Financial Viability and Management	To review revenue management related policies	Number of policies reviewed by May 2016	-	2	R0.00	R0.00	R0.00	Review three policies by May 2016. (Debt & Credit Control Policy, Tariff Policy and Bad Debts & Write	-	3 policies were reviewed	Target achieved	None	None	Council resolution on the final policies	B+T 17

Initial: Municipal Manager:

Initial: Mayor:

								Off Policy)							
Financial Viability and Management	To implement property rates policy	Number of monthly reconciliation between valuation roll & billing	-	12	R0.00	R0.00	R0.00	Draft twelve monthly reconciliations between valuation roll and billing	-	12 reports were drafted	Target achieved	None	None	3 monthly reconciliation reports	B+T 18
Financial Viability and Management	To update consumer database	Number of monthly updated data analysis reports	-	12	R0.00	R0.00	R0.00	Update twelve monthly data analysis reports quarterly (3 per quarter)	-	12 reports were updated	Target achieved	None	None	3 monthly analysis reports	B+T 19
Financial	To increase	percentage	-	25%	R0.00	R0.00	R0.00	Collect 25%	-	10.2% revenue	Target not	Non-payment	The	Monthly	B+T 20

Initial: Municipal Manager:

Initial: Mayor:

Viability and Management	revenue collection rate	revenue collection rate				0		of revenue quarterly (25% per quarter)		collected	achieved	of services	implementation of the property rates adjustment and the assistance by Cogston on government Debts through Provincial Debt Forum	billing reports and the payment report	
Financial Viability and	To pay creditors within 30	percentage of creditors paid	-	100%	R0.00	R0.00	R0.00	Pay 100% of creditors quarterly	-	100% of creditors were paid quarterly	Target achieved	None	None	Payment report	B+T 21

Initial: Municipal Manager:

Initial: Mayor:

Management	days upon receipt of invoices							y (100% per quarter)		y					
Financial Viability and Management	To submit quarterly reports in terms of sec(66)	Number of quarterly reports submitted to council	-	4	R0.00	R0.00	R0.00	Submit twelve reports to council	-	12 reports were submitted	Target achieved	None	None	Quarterly section 66 reports	B+T 22
Good governance and public participation	Provide Administrative Support to Audit Committee	Number of Quarterly Audit Committee meetings held quarter	-	5	R239 400.00 (Under Audit Committee Expenses)	R0.00	58 021.80	Conduct 4 audit committee meetings (one per quarter)	-	7 meetings were held	Target achieved	There were three special audit committee meetings to review risk register, IDP and Budget	None	Minutes of audit committee meeting and attendance register	M M1

Initial: Municipal Manager:

Initial: Mayor:

		ly													
Good governance and public participation	Provide Administrative Support to Audit Committee	Number of Audit Committee quarterly reports submitted to Council	-	4	R50 000 (Under Audit Committee Expenses)	R0.00	17 001.78	Compile 4 audit committee reports and submit to council quarterly (one per quarter)	-	5 reports were compiled and submitted to council	target achieved	none	none	Approved report by audit committee chairperson and council resolution	M M2
Good governance and public participation	Provide Internal Audit Services	Number of quarterly Internal Audit reports submitted to Audit Committee	-	8	R0.00	R0.00	R0.00	Submit 8 internal audit reports to audit committee	-	11 reports submitted to audit committee	target achieved	none	none	Minutes of audit committee and attendance register	M M3
Good governance	Provide	Number of	-	1	R0.00	R0.00	R0.00	Develop three	-	1 internal	target achieved	none	none	Approved	M M4

Initial: Municipal Manager:

Initial: Mayor:

nance and public participation	Internal Audit Services	Internal Audit Strategic Plan (2016/2017, 2017/2018 & 2018/2019) and Annual Internal Audit Plan (2016/2017) developed and approved by Audit committee by 30 June 2016.				0		years internal audit Strategic Plan (2016/2017, 2017/2018 & 2018/2019) and Annual plan for 2016/2017 by 30 June 2016		audit three years strategic plan developed	d			internal audit plan by audit committee & minutes of audit committee meeting	
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Initial: Municipal Manager:

Initial: Mayor:

Good governance and public participation	Provide Internal Audit Services	Reviewed Internal Audit Charter approved by audit committee by 30 June 2016.	-	1	R0.00	R0.00	R0.00	Review and approve one internal audit charter by audit committee by 30 June 2016	-	1 internal audit charter reviewed and approved	target achieved	none	none	Approved internal audit charter by audit committee, minutes of audit committee meeting meeting & attendance register	M M5
Good governance and public participation	Provide Internal Audit Services	Reviewed internal audit methodology approved by	-	1	R0.00	R0.00	R0.00	Review one internal audit methodology by 30 June 2016	-	1 internal audit methodology reviewed	target achieved	none	none	Approved internal audit methodology by audit committee	M M6

Initial: Municipal Manager:

Initial: Mayor:

n		audit committee by 30 June 2016.												tee, minutes of audit committee meeting & attendance register	
Good governance and public participation	Improve risk management systems and protect the municipality from risks	Number of Quarterly Risk Management Reports Compiled and submitted to Risk Committee by 30 June 2016.	-	4	R0.00	R0.00	R0.00	Compile and submit four risk management report quarterly	-	4 reports were compiled and submitted	target achieved	none	none	Quarterly risk management report, minutes of risk management meeting & attendance register	M M7
Good	Improv	Review	-	1	R0.00	R0.0	R0.00	Review	-	1	Target	None	None	Review	M

Initial: Municipal Manager:

Initial: Mayor:

governance and public participation	the risk management systems and protect the municipality from risks	ed Risk Management Strategy approved by Council by fourth quarter by 30 June 2016.				0		one Risk Management Strategy approved by Council during fourth quarter		strategy on risk management was reviewed	achieved			wed & approved strategy, Council resolution	M8
Good governance and public participation	Improve risk management systems and protect the municipality from risks	Number of Risk Management Committee Meetings conducted by 30 June 2016.	-	4	R24 000.00 (under risk management)	R0.00	R7 205.05	Conduct four Risk Management Committee Meeting conducted (one per quarter)	-	4 meetings were conducted	Target achieved	None	None	Minutes and attendance register	M M9

Initial: Municipal Manager:

Initial: Mayor:

Good governance and public participation	Improve risk management systems and protect the municipality from risks	Annual Risk Management Profile Compiled and approved by Council by 30 June 2016.	-	1	R60 000.00 (Under Risk Management)	R0.00	R170 316.37	One Risk Assessment Report for 2016/2017 financial year, compiled and approved by Council by 30 June	-	one report on risk assessment was compiled	Target achieved	None	None	Council resolution and 2016/17 risk assessment report	MM10
Good governance and public participation	Improve risk management systems and protect the municipality from risks	Reviewed Anti-Fraud and Corruption Strategy approved by Council by 30 June	-	1	R0.00	R0.00	R0.00	Reviewed one Anti-Fraud and Corruption Strategy during fourth quarter	-	one strategy was reviewed on anti-fraud and corruption	Target achieved	None	None	Reviewed strategy and council resolution	MM11

Initial: Municipal Manager:

Initial: Mayor:

		2016.													
Good governance and public participation	Provide prompt responses to Auditor General's Audit Queries	% of AGSA Queries attended to quarterly	-	0%	R0.00	R0.00	R0.00	100% of AG queries attended to quarterly	-	72% of queries were attended	Target not achieved	The departmental heads did not submit the third quarter reports to the Manager in the Municipal manager's Office	The reports to be presented during the weekly executive management meetings	Progress report on implementation of AGSA findings	M12
Good governance and public participation	Provide prompt responses to Auditor General's Audit Query	% of Internal Audit Queries attended to quarterly	-	0%	R0.00	R0.00	R0.00	100% of internal audit queries attended quarterly	-	45% of queries were attended	Target not achieved	The departmental heads did not submit the third quarter reports to the Manager in the Municipal manager's Office	The reports to be presented during the weekly executive management meetings	Progress report on implementation of internal audit findings	M13

Initial: Municipal Manager:

Initial: Mayor:

	s														
Good governance and public participation	Mitigate against identified risks	% of risks mitigated on a quarterly basis		0%	R0.00	R0.00	R0.00	100% of risks attended to and mitigated	-	40% of queries were attended	Target not achieved	The departmental heads did not submit the third quarter reports to the Manager in the Municipal manager's Office	The reports to be presented during the weekly executive management meetings	Progress report on implementation of risks	M14
Good governance and public participation	Ensure implementation of Council Resolutions	% of Council Resolutions implemented by 30 June 2016.	-	6	R0.00	R0.00	R0.00	100% of council resolutions implemented quarterly	-	87% of council resolution were resolved	Target not achieved	The departmental heads did not submit their third quarter reports to the Manager in the office of the Municipal Manager	The reports to be presented during the weekly executive management meetings	Progress report on implementation of council resolutions	M15

Initial: Municipal Manager:

Initial: Mayor:

Good governance and public participation	Provide strategic leadership	Number of Weekly Executive Management meetings held quarterly	-	12	R0.00	R0.00	R0.00	Conduct 32 executive management meetings quarterly	-	10 meetings were held	Target not Achieved	The meetings could not be held due to labour unrest and community strikes during the third and fourth quarter. The management team of the institution was busy addressing issues raised and as a result meetings were postponed	The Executive Committee to be involved during community uprisings	Attendance register, agenda and minutes of the meetings	M16
Good	Monitor	Number	-	4	R0.00	R0.00	R0.00	Compile four	-	3 reports	Target not	The department	The reports to	Signed final	M1

Initial: Municipal Manager:

Initial: Mayor:

governance and public participation	monitor and implement Premier's hotline cases	Number of Premier's hotline progress reports compiled by 30 June 2016	-			0		premier hotline progress reports quarterly (one per quarter)		were compiled	Achieved	ntal heads did not submit the third quarter reports on the progress	be presented in the executive management meetings held weekly.	report by accounting officer and proof of submission to office of the premier	7
Good governance and public participation	Monitor and implement Presidential hotline cases	Number of Presidential hotline progress reports compiled by 30 June 2016.	-	4	R0.00	R0.00	R0.00	Compile four presidential hotline progress reports quarterly (one per quarter)	-	3 reports were compiled	Target not Achieved	The departmental heads did not submit the third quarter reports on the progress	The reports to be presented in the executive management meetings held weekly.	Signed final report by accounting officer and proof of submission to office of the presidency	M18
Good governance	Improve	One Review	-	1	R0.00	R0.00	R0.00	Review one communication	-	one communication	Target achieved	None	None	Approved communication	M19

Initial: Municipal Manager:

Initial: Mayor:

nance and public participation	communications systems in the municipality	Communication Strategy approved by Council by June 2016						Communication strategy by June 2016		strategy reviewed				Communication strategy and council resolution	
Good governance and public participation	Improve communications systems in the municipality	Communication support provided to internal and external stakeholders by 30 June	-	12	R600 000.00	R0.00	R632762.76	Provide 100% support to internal and external stakeholders by 30 June 2016	-	100% support given to both internal and external stakeholders	Target achieved	None	None	Requests from user departments / stakeholders, agenda and attendance register	M20

Initial: Municipal Manager:

Initial: Mayor:

		2016.													
Good governance and public participation	Improve communications systems in the municipality	Quarterly municipal newsletters editions developed.	-	4	R50,000.00			Develop four municipal newsletters quarterly	-	4 news letters were developed	Target achieved	None	None	News letter	M M2 1
Good governance and public participation	To improve audit opinion	% of Audit Committee resolutions addressed	-	68%	R0.00	R0.00	R0.00	Implement 100% of audit committee resolutions quarterly	-	89% resolution implemented	Target not achieved	The departmental heads did not submit the third quarter reports on the progress	The reports to be presented in the executive management meetings held weekly.	Progress report	M M2 2
Good governance and public	To improve audit opinion	% of Executive Committee	-	90%	R0.00	R0.00	R0.00	Implement 100% of Executive	-	65% of resolution implemented	Target not Achieved	The departmental heads did not submit	The reports to be presented in the executive	Progress report on implementation	M M2 3

Initial: Municipal Manager:

Initial: Mayor:

Public participation		resolutions implemented quarterly						Committee resolutions quarterly				the third quarter reports on the progress	management meetings held weekly.	on of executive committee resolutions	
Good governance and public participation	To improve audit opinion	Number of service providers assessed	-	1	R0.00	R0.00	R0.00	Conduct 4 quarterly assessments reports on all the appointed Services Providers	-	4	Target achieved	None	None	Approved report by the accounting officer and council resolution	M24
Municipal Transformation and Organisational	Periodically monitor and assess the institutional performance	Number of Municipal SDBIP's approved by the Mayor	-	1	R50 000 (Under PMS Coordination)	R0.00	R4822.44	Develop 2016/17 SDBIP by June 2016	-	1 SDBIP developed and approved by Mayor	Target achieved	None	None	Approved SDBIP and Council resolution	M25

Initial: Municipal Manager:

Initial: Mayor:

Development	Performance	by 30 June 16													
Municipal Transformation and Organizational Development	Periodically monitor and assess the institutional performance	Number of individual performance agreements signed by senior managers by 14 July 2016	-	6	R0.00	R0.00	R0.00	Sign six individual performance agreements by senior managers by 14 July 2016	-	6 performance agreements signed	Target achieved	None	None	Signed performance agreements by senior managers	M26
Municipal Transformation and Organizational	Periodically monitor and assess the institutional performance	Number of individual performance assessments conducted	-	0	R28 000.00 (under audit committee expenses)	R0.00	R0.00	Conduct individual assessments to six senior manager quarterly	-	0	Target not achieved	The assessments could not be conducted due to shortage of personnel within the	Two positions to be created and filled within the unit before end of first	Signed assessment reports and the attendance register	M27

Initial: Municipal Manager:

Initial: Mayor:

Development	Performance	Indicators for senior managers quarterly						Y				unit	quarter of the next financial year		
Municipal Transformation and Organizational Development	Municipal Transformation and Organizational Development	Number of quarterly reports tabled to council	-	4	R0.00	R0.00	R0.00	Table four SDBIP quarterly reports to council within 30 days after the end of quarter	-	4 reports tabled to council	Target achieved	None	None	Noted report and council resolution	M28
Municipal Transformation and Organizational Development	Municipal Transformation and Organizational Development	Mid-year performance report tabled in Council by 3rd	-	1	R0.00	R0.00	R0.00	Table one Mid-year report by 25 January 2016	-	1	Target achieved	None	None	Approved report and council resolution	M29

Initial: Municipal Manager:

Initial: Mayor:

Development	Development	quarter (25 January 16)													
Municipal Transformation and Organizational Development	Municipal Transformation and Organizational Development	Annual performance report tabled to Council by 1st quarter	-	1	R0.00	R0.00	R0.00	Table one 2014/2015 annual performance report to council by 31 August 2015	-	1 Annual performance report tabled and approved by council	Target achieved	None	None	Council resolution and the tabled report, proof of submission to the stakeholders	MM30
Municipal Transformation and Organizational Development	Municipal Transformation and Organizational Development	Annual report tabled to Council by third quarter	-	1	R0.00	R0.00	R0.00	Table one 2014/2015 Annual report to council by 31 January 2016	-	1 annual report approved	Target achieved	None	None	Council resolution and the tabled report, proof of submission to	MM31

Initial: Municipal Manager:

Initial: Mayor:

nt														the stakeholders	
Good Governance and public participation	Coordinate, advocate, capacitate, mainstream, monitor and evaluate special focus programme	Number of compliance monitoring reports compiled on special focus programme	-	2	R0.00	R0.00	R0.00	Compile two compliance monitoring reports on special focus programme during first and third quarter	-	Two department responded to the compliance monitoring tool (corporate services and Municipal Manager's Office)	Not achieved	Departmental heads did not respond to compliance monitoring tool report send by special focus unit.	The Accounting officer to notify the departmental heads to respond to the send report to ensure compliance with Employment Equity Act	Compliance monitoring report	M3 2
Good Governance and public participation	Coordinate, advocate, capacitate, mainstream	Number of special focus structures relaunched	-	5	R30 000.00 (from children vote)	R0.00	R17 300.70	Re-launch and support two special focus structures	-	One structure was re-launched for disability forum	Not achieved	Special focus has not involved the department of education in re-	Special focus unit to negotiate with the department of education on the re-	Attendance register and appointment letters for council	M3 3

Initial: Municipal Manager:

Initial: Mayor:

n	, monit or and evalua te special focus progra mme	and suppor ted										launching of children advisory forum and that let to the fail	launching of children's advisory forum during the next financial year	I memb ers	
Good Gove rnanc e and publi c partic ipatio n	Coordi nate, advoca te, capacit ate, main stream , monit or and evalua te special focus progra mme	Numbe r of special focus meetin gs coordin ated	-	22	R120 00 0.00 (from all votes under special focus	R0.0 0	R8697.0 4	Coordin ate 24 special focus meeting s	-	19 meeting s were held	Not achieve d	Five meetings were not held due to labour unrest within the institutio n during the third quarter of the year.	The meetings to be held outside municipal offices during the labour unrest	Attend ance registe r and approv ed minut es of the special focus forms meeti ng	M M3 4

Initial: Municipal Manager:

Initial: Mayor:

Good Governance and public participation	Coordinate, advocate, capacity, mainstream, monitor and evaluate special focus programme	Number of NGOs and CBOs empowered	-	0	R370 000.00 (from Gender vote)	R0.00	R0.00	Empowerment of four NGOs on capacity building	-	0	Target not achieved	The budget was not spent because it was not enough to cater the identified NGOs	budget to be increased in the next financial year	Attendance register	M35
Good Governance and public participation	Coordinate, advocate, capacity, mainstream, monitor and	Number of community tolerant conducted through commu	-	0	R84 242.00 (from Gender vote)	R	R97 875.00	Conduct four dialogues and educational sessions in high risks areas on xenophobic	-	3 sessions were conducted	Not achieved	One session could not be held due to labour unrest within the institution during the third quarter of	The sessions to be held outside municipal offices during the labour unrest	Attendance register	M36

Initial: Municipal Manager:

Initial: Mayor:

	evaluate special focus programme	community integration initiatives										the year			
Good Governance and public participation	Coordinate, advocate, capacitate, mainstream, monitor and evaluate special focus programme	Number of special focus awareness campaigns conducted for special focus groupings	-	0	R175 000.00 (from all votes under special focus)	R0.0	R1 7200.00	Conduct six awareness campaigns on special focus groupings	-	6 awareness campaigns conducted	Target achieved	None	None	Attendance register	MM37
Good Governance and	Coordinate, advocate,	Number of special focus	-	6	R90 000.00 (from all votes under	R0.0	R90 000.00	Participate in six special focus	-	Participated in six special focus	Target achieved	None	None	Invitation to various stakeholders	MM38

Initial: Municipal Manager:

Initial: Mayor:

public participation	capacity, mainstream, monitor and evaluate special focus programme	calendar activities participated in			special focus)			calendar activities		activities				olders and attendance register	
Good Governance and public participation	Coordinate, advocate, capacity, mainstream, monitor and evaluate special focus	Number of ward based AIDS Council established for special focus groupings	-	0	R0.00	R0.00	R0.00	Establish ten ward based AIDS Council in all clusters within the municipality	-	3 AIDS Council were established at Gampahlele and Mathabatha cluster	Target not achieved	The meetings could not be held due to unavailability of community members due to community unrest	Ward councillors to invite community members to take part in the municipal activities	Appointment letters and attendance register	M39

Initial: Municipal Manager:

Initial: Mayor:

	programme														
Good Governance and public participation	Coordinate, advocate, capacitate, mainstream, monitor and evaluate special focus programme	Number of public participation policy approved	-	0	R100 000.00	R0.00	RR6462 21.70	Approve one public participation policy	-	0	Target not achieved	Meetings were not held due to labour unrest	The policy to be drafted and approved in the next financial year	Council resolution	MM40
Good Governance and public participation	Coordinate, advocate, capacitate, mainstream	Number of sessions to inform community on service	-	6	R900 000.00	R0.00		Conduct four public meetings with various clusters within the	-	4	Target achieved	None	None	Attendance register	MM41

Initial: Municipal Manager:

Initial: Mayor:

n	, monit or and evalua te special focus progra mme	s render ed, new develo pments and policies						municip ality							
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**Performance of the External Service Providers for 2015/16**

**Ratings 1= poor, 2 = Fair, 3= Good, 4 = Very Good, 5= Excellent**

Project Name	Appointed Service Providers	Total Budget	Expenditure	Completed or not Completed	Reason for Non-completion	Scoring 1-5 Rating	Service Provider Performance (Poor, Average, Good or excellent)
Landfill management	Ingwe Waste Management	3 800 000.00 (landfill management budget)	R2657 684.52	Three years contract	Term contract	4	Very Good
Cleaning of Illegal Dumping	Mogodi Sand and Bricks	R 950 000.00	R300 297.89	24 Months	Term Contract	5	Excellent
Review of IWMP	GIBB	R300 000.00	R0.00	6 months	Term contract	3	Good
Supply and delivery of Refuse Bag	Arabang Trading and Project CC	3 000 000.00	R2 230 706.21	24 Months	Term Contract	2	Poor

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Total Budget	Expenditure	Completed or not Completed	Reason for Non-completion	Scoring 1-5 Rating	Service Provider Performance (Poor, Average, Good or excellent)
Outsourcing of waste collection trucks	Falas Trading	3 000 000 (refuse removal urban)		Month to month	As and when	4	Very Good
Outsourcing of waste collection trucks	Selema Construction	3 000 000 (refuse removal urban)		Month to month	As and when	4	Very Good
Maintenance of computerised learner system	Neo Solution	R	R184 462.44	12 months	Term contract	4	Very Good
Supply an Delivery of Mobile Container for disaster management	Manset General Trading	R100 000.00	64 000.00	completed	Once-off	4	Very Good
Supply and delivery of grass bale	Tumsego Coture trading	R150 000.00	R165 996.67	Completed	Once-off	4	Very Good
Supply of road safety promotional material	Arabang 83 Trading and project	R200 000.00	R 126 230.95	Completed	Once-off	5	Excellent
Supply of traffic uniform	Madijo Trading enterprise	R150 000.00	R77 327.34	Completed	Once-off	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

<b>Project Name</b>	<b>Appointed Service Providers</b>	<b>Total Budget</b>	<b>Expenditure</b>	<b>Completed or not Completed</b>	<b>Reason for Non-completion</b>	<b>Scoring 1-5 Rating</b>	<b>Service Provider Performance (Poor, Average, Good or excellent)</b>
Supply and delivery of Plants	TKP and Pebetse trading	R200 000.00	R84 822.00	Completed	Once-off	2	fair

Initial: Municipal Manager:

Initial: Mayor:

<b>Project Name</b>	<b>Appointed Service Providers</b>	<b>Contract Amount</b>	<b>Expenditure</b>	<b>Completed or Not Completed</b>	<b>Reason for Non-completion</b>	<b>Scoring (1-5 Rating )</b>	<b>Service Provider Performance (Poor/ Fair/Good/ Very Good/ Excellent)</b>
Maintenance of Fixed Assets Register for a Period of 36 Months	Price Waterhouse Coopers	R3 260 443.86	R2 558 308.14	Not Completed	N/A	3	Good
Professional Service Provider for Insurance for a period of 36 Months	Lateral Unison	R 2 099 644.00 for three years	R 962 799.22	Not Completed	N/A	03	Good
Travel Management Services for a Period of 24 Months	Twilight Travelling Agency	10% Commission Excluding VAT	R1 140 632.32 including 10% Commission	Completed	N/A	02	Fair
Supply and Delivery of Cartridges as and when Required for a Period of 24 Months	Nenyane Trading	R72 408.36 for the first year and Escalation for the Second Year will Depend on the Producer Price Index	R 877 991.45	Not Completed	N/A	04	Very Good
Supply Delivery of Toilet Papers for a Period of 24 months as and when Required	Todipjane Transport & trading Trading cc	R 390.71	R 406 059.70	Not Completed	N/A	04	Very Good

Initial: Municipal Manager:

Initial: Mayor:

Supply and Delivery of Cleaning Material for a Period of 24 Months as and when Required	Makhegy Trading Enterprise	R 9 032.44	R 571 082.20	Not Completed contract expired but the last payment was not effected	N/A	03	Good
Supply and Delivery of Robot Materials	Giftron Distribution	R 100 966.55	R 100 966.55	Completed	None	05	Excellent
Security Services for Cash Collection for a Period of 24 Months	Fidelity Cash Solutions	R 248 302.43	R248 302.43	Completed	None. Contract expired in December 2015	04	Very Good
Supply and Delivery of Electrical Materials for a Period of 24 Months as and when Required	Maseeme Electrical Infrastructure	R 109 536.50	R 813 424.51	Not Completed	Contract still effective	03	Good

Initial: Municipal Manager:

Initial: Mayor:

Supply and Delivery of Photocopying Papers for a Period of 24 Moths as and when Required	Wisper Travel and Tours	R 525.00	R 184 250.00	Not Completed	Contract has been terminated	01	Poor
Travel Management Services as and when required for a period of 24 moths	Uniglobe Babirwa	18% Commission for car rental, accommodation and domestic flight and 20% commission for international flights.	R1 464 028.19	Not completed	The contract has commenced in March	03	Good
Security Services for Cash Collection for a Period of 24 Months	Fidelity Cash Solutions	R 536 994.72	The service provider was not paid from September 2015 because municipality	Not completed	Contract still effective	03	Good

Initial: Municipal Manager:

Initial: Mayor:

			still deducting their money the company owes them				
Printing and folding of municipal statements for a period of 3 years	Mailtronic Direct Marketing	R 904 833.07	The contract commenced in April 2016 and no claim was received from the service provider	Not Completed	The contract still effective	3	Good
Supply and delivery of stationery	Muroa Trade	R 8 488.60	R 445 667.50	Completed (Contract expired)	-	3	Good
Supply and delivery of cleaning materials	Monthapane Trading Enterprise	R 6114.50	R0.00	Not completed.	The contract has commenced	No order has being issued yet	-
Supply and delivery of stationery	Mushabi Trading Enterprise	R 9 533.00	R0.00	Not Completed	The contract will commence in July	No order has being issued yet	-
Supply and delivery of	OFUSS business	R1 593 899.00	R1 593 899.0	Completed	None	3	Good

Initial: Municipal Manager:

Initial: Mayor:

furniture	furniture		0				
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Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Upgrading of 7km road from gravel to block paving – Rockville / Tleane	Morwaphiri Consulting Engineers	R6 498 409.94	R1 747 215.30	Not completed	There was a contractor who was terminated and the project was turned into turnkey	2	Fair
Upgrading of 7km road from gravel to block paving – Zone F phase 3	T3 Consulting Engineers	R1 493 515.00	R785 063.24	Not completed	95% Construction Stage: there is slow progress due to contractor cash flow problems and the contractor is on penalties	3	Good
	Melrose Civil and building Construction	R8 604 757.62	R6 904 463.87			1	Poor

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Lining of storm water drainage in Lebowakgomo Zone B	Morwaphiri Consulting Engineers	R1 553 671.48	R2 451 205.21	completed	Construction 99% Construction	2	Fair
	Paxair Trading	R13 315 563.84	R13 314 366.85			2	Fair
Development of roads and storm water Master plan	Tshashu Consulting and Project Managers	R1 616 605.00	R 1 535 525.6	Not completed yet.	95% complete, consultant has submitted final draft.	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

<b>Project Name</b>	<b>Appointed Service Providers</b>	<b>Contract Amount</b>	<b>Expenditure</b>	<b>Completed or Not Completed</b>	<b>Reason for Non-completion</b>	<b>Scoring (1-5 Rating )</b>	<b>Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)</b>
Upgrading of Unit F Internal Streets Phase 4 of 700m with Paving Blocks.	Kgaiwa Manufacturers.	R 3729176.56	R 2 678 226.85	Not completed yet.	85% completed.	4	Very Good
Rehabilitation and Resurfacing of 1.3 Kilometer Road in Lebowakgomo Unit F, Phase 2.	Bakone Mega Trading	R 4 055 951.39	R 3 554 366.59	Completed.	Practical Completion Achieved.	4	Very Good
TARRING OF MAIN STREET FROM UNIT S	Phekisho Consulting Engineers.	R 4 279 920.24	R 0.00	Not completed yet.	15% completed.	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
TO BA-LEBOWAKGO MO							
Construction of CBD Streets Phase 02 of 0.26 kilometre with Asphalt.	Phepele Construction	R 3 490 031.23	R 1 379 718.85	Not completed yet.	75% completed.	4	Very Good
Refurbishment of Lebowakgomo Sports Complex	BIP Consulting Engineers	R 1 304 602.29	R 901 654.12	Practically completed	None	3	Good
	Diges cc	R 2 386 176.41	R 2 386 176.41	Practically completed			
Drilling and equipping of boreholes at community halls (13)	Diges cc	-	-	Completed	None	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Paving and Fencing of Municipal Offices(Technical Services)	Mauvali Trading	R1,341,711.60	R1 341 711.60	Completed	None	4	Very Good
Extension of Municipal Offices	Tshedza/Mgijimi JV	R 2 601 118.98	R 1 763 344.13	Not completed	Contractor busy with the construction	2	Fair
	Mohlatlego Trading Enterprise	R 5 738 860.15	R 1 016 491.00				3
Mathabatha Community Hall	Humphrey Electrical	R 4 410 526.00	R 3 929 324.31	Completed	None	3	Good
Development of New Cemetery	Molemo consulting	As per ECSA guidelines	R0.00	Not completed	Late appointment of service provider	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
	Thalema Trading JV Isihlangu	R 9 668 673.94	R 0.00		(Contractor).	N/A	N/A
Closer and rehabilitation of one dumping site at unit A by June 2016	Kgokagano Trading	R 1 999 990	R 474 308.40	Not completed	Late appointment of service provider (Contractor).	3	Good
	OH Mashilo Trading	R 3 136 159.95	R 0.00			N/A	N/A
Small Access Bridge: Lehlokwaneng / Tswaing	Shumpa Engineering Services	R 1 023 991.21	R 537 787.68	Not Completed	Late appointment of service provider (Contractor).	3	Good
	Ntshwarish e trading	R 5 468 264.37	R 0			N/a	N/A
Regravelling of Roads	PJMJ PLANT	R3,792,127.35	<b>3,777,880.20</b>	Completed	Completed	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating)	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Resealing and Maintenance of internal streets Unit F Phase 1.	Papate Elias Construction	R2,549,576.37	R2 548 891.58	Completed	Completed	3	Good
Upgrading of Rakgoathwa Internal Streets and Stormwater (Multi-Year)	Thuso Projects	R 1 300 000.00	-	Not completed	Late appointment of service provider (Contractor).	3	Good
	October Integrated Tech (Pty) Ltd	R 11 942 963.19	R 0.00			N/A	N/A
Electrification of Motantanyane Village	Leshika Consulting Engineers	R593 998.48	R534 598.63	Practically complete	Network for 318 stands completed and energized. Currently busy with 60 additional households, which	2	Fair
	Kingki Electrical	R4 385 551.00	R3 680 596.59			2	Fair

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
	Contractor				is very slow in progress.		
Grading of Mamaolo to Mampiki Internal Streets and Stormwater (Multi-year	Tshashu Consulting	R 1 333 440.86	R 1 333 434.14	Practically Complete	Contractor busy with Snag list	3	Good
	PJMJ Engineering and Plant Hire	R 8 389 602.34	R 7 840 649.82		Practically complete	3	Good
Electrification of Rakgoatha (400)	Kanas Consulting	R 426,000.00	R477,487.50	Not completed	Contractor on site and the progress is around 30%	3	Good
	Xiverengi Business Enterprise	R596,055.62	R0.00			2	Fair
Electrification	Muteo Consulting	R 153,715.04	R106,286.60	Practically	Waiting for energization	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
of Dublin(50)	Tshabalala Multi Service Workshop	R1,024,766.94	R630,014.86	Completed		4	Very Good
Electrification of Motserereng( 19)	Kanas Consulting	R 56,800.00	-		Design Stage(scoping report and design reports submitted and approval granted to consultant compile detail designs and tender document)	3	Good
Electrification of Matatane Phase 2 (124)	Muteo Consulting	R 194,795.95	R171,970.06	Practically Completed	Design Stage(scoping report and design reports submitted and approval granted to consultant compile detail designs and	4	Very Good
	Kingki Electrical	R1,712,666.51	R1,264,612.01			4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
					tender document)		
Electrification of Matome(120)	Lefokane Consulting and Project Managers	R 132,682.33	R156,803.18	Not complete	Consultant finalizing scoping reports design report.	2	Fair
	Kingki Electrical	R3,667,535.55	R1,496,893.53			2	Fair
Electrification of Bolatjane(60)	Muteo Consulting	R 101,712.63	R228,535.28	Not Completed	Design Stage(scoping report and design reports submitted and approval granted to consultant compile detail designs and tender document)	4	Good
	Omphile Electrical	R2,279,987.06	R1,386,507.85			4	Good
Electrification of Magatle(200)	Lefokane Consulting and Project	R202,600.08	R183,701.20	Not Complete	Consultant finalizing scoping reports design	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
	Managers				report.		
	Kingki electrical	R3,478,474,81	R2,457,126.36			4	Very Good
Electrification of Madishaditoro(250)	Lefokane Consulting and Project Managers	R252,190.80	R45,012.99	Practically Complete	Waiting for energization	4	Very Good
	Sohlanga Trading 107	R1.218,077.04	R741,061.30			4	Very Good
Electrification of Mapatjakeng (201)	Kanas	R210,000.00	R0	Practically Completed	Consultant finalizing scoping reports design report.	2	Fair
	Tloulec General Trading	R671,100.55	R0			4	Very good
Electrification of Ngwaname/ Mafefe New	Lefokane Consulting and Project Managers	R128,592.00	R156,803.18	Practically Complete	Consultant finalizing scoping reports design report.	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Stands (120)	Omphile Electrical	R2,783,231.79	R1,638,276.20			4	Very Good
Small Access Bridge: Makadikadi/Ireland	Nemorango Consulting Engineers	R 750 741.05	R 750 741.05	Not completed	Late appointment of service provider (Contractor).	3	Good
	Ditlou suppliers	R 6 303 075.50	R 0				
Refurbishment of Noko Tlou stadium	Rabakone a Hlabirwa Pty Ltd	R188 200.00	R188 200.00	Completed	None	3	Good
Construction of Mathabatha Community Hall	Humphrey Electrical and Construction	R4 140 680.30	R3 929 324.30	Completed	None	4	Very Good

Initial: Municipal Manager:

Initial: Mayor:

<b>Project Name</b>	<b>Appointed Service Providers</b>	<b>Contract Amount</b>	<b>Expenditure</b>	<b>Completed or Not Completed</b>	<b>Reason for Non-completion</b>	<b>Scoring (1-5 Rating )</b>	<b>Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)</b>
Construction of Perimeter Fence and Pavement at Technical Services	Muavuli Trading Enterprise	R1 341 711.60	R 1 341 711.60	Completed	N/A	4	Very Good
Equipment and drilling of 13 boreholes at various halls, stadiums and tourism camps around the community	DIGES cc	R3 042 301.81	R2 594 158.92	Completed	None	3	Good
Upgrading of Mathabatha	Lumar Consulting	R6 709 137.96	R 3 065 043.49	Not Completed	Late appointment	3	Good

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating)	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Road from gravel to tar and stormwater control (Multi-year)	Ngungwa development	R 13 046 318.14	R 0		of service provider (Contractor).	N/A	N/a
Small Access Bridges: Magatle/Mapatjakeng	Maswika Consulting Engineers	R1 346 451.32	R 620 932.49	Not completed	Late appointment of service provider (Contractor).	3	Good
	StoneFound engineering Solutions	R 7 475 589.33	R 0				
Tarring of main roads from Zone S to Q - Lebowakgomo	Bawelile Consulting	R2,305,855.00	R 1 383 513.30	Not completed	Late appointment of service provider (Contractor).	3	Good
	Maduludi	R10 559 256.49	R 0				N/a

Initial: Municipal Manager:

Initial: Mayor:

Project Name	Appointed Service Providers	Contract Amount	Expenditure	Completed or Not Completed	Reason for Non-completion	Scoring (1-5 Rating )	Service Provider Performance (Poor/Fair/Good/Very Good/Excellent)
Small Access Bridge: Madisha Ditoro	Makoshi Consulting	R715 432.25	R 525 088.11	Not completed	Contractor busy with site establishing	3	Good
	October Intergrated Tech(pty)Ltd	R 6 931 409.76	R 0			N/A	N/A

(d) The Auditor-General’s audit report in terms of section 45 (b) of the MSA.

- Covered in the Auditor –General’s audit report included in number B above.

(e) An Assessment by the municipality's Accounting Officer of any arrears on municipal taxes and Service charges.

Debtor Type	CURRENT	30-DAYS	60-DAYS	90-DAYS	120-DAYS +	TOTAL
Agriculture	197 499.50	195 355.80	193 688.22	191 759.13	14 340 834.32	15 119 136.97
Business	684 055.42	610 155.94	607 505.19	645 362.22	18 585 724.35	21 132 803.12
Churches	6 969.39	6 675.36	6 605.22	6 573.36	321 340.78	348 164.12
Domestic	1 669 067.03	1 646 707.33	1 625 311.91	1 532 653.89	62 271 561.87	68 745 302.04
<b>TOTAL</b>	<b>219 578.29</b>	<b>184 992.17</b>	<b>180 248.07</b>	<b>195 292.46</b>	<b>7 918 775.67</b>	<b>8 698 886.66</b>
Indigents	48 873.55	48 225.31	47 561.06	46 265.14	1 823 430.06	2 014 355.12
<b>TOTAL</b>	<b>2 826 043.17</b>	<b>2 692 111.91</b>	<b>2 660 919.68</b>	<b>2 617 906.20</b>	<b>105 261667.05</b>	<b>116 058 648.02</b>

DEBTORS AGE ANALYSIS AS AT 30 JUNE 2016

SERVICE	CURRENT	30-DAYS	60-DAYS	90-DAYS	120-DAYS +	TOTAL
Sundries	20 146.44	18 478.75	16 498.45	16 726.75	754 684.91	826 535.30
Interest	707 609.12	697 392.17	680 279.44	599 627.64	13 051 361.45	15 736269.83
Refuse	521 619.67	452 335.00	445 559.88	490 977.66	24 448 827.13	26 359 319.34
Rates	1 576 667.94	1 523 905.99	1 518 581.91	1 510 574.15	67 006 793.56	73 136 523.55
<b>Total</b>	<b>2 826 043.17</b>	<b>2 692 111.91</b>	<b>2 660 919.68</b>	<b>2 617 906.20</b>	<b>105 261667.05</b>	<b>116 058 648.02</b>

Initial: Municipal Manager:

Initial: Mayor:

- (f) An Assessment by the municipality's accounting officer of the municipality's performance  
 Against the measurable performance for revenue collection from each revenue source and for  
 Each vote in the municipality's approved budget for relevant financial year.

<b>Monthly Projections of revenue to be collected by source for 12 months</b>		
Revenue by source	<b>Projected</b>	<b>Actual</b>
Consumer Debtors	21 702 507,14	22 634 153,81
Grants	371 077 223,00	213 036 546,27
interest and investment income	5 258 981,39	10 949 140,21
Rent of facilities and equipment	540 313,28	385 841,72
Intrest earned on outstanding debtors	2 220 044,73	1 028 560,77
finest	1 754 653,60	370 935,00
licences and permits	9 445 206,78	46 600 452,40
Other	64 503 678,91	1 861 724,03
<b>Total Revenue by source</b>	<b>476 502 608,83</b>	<b>296 867 354,21</b>

Initial: Municipal Manager:

Initial: Mayor:

(g) Any corrective action taken or to be taken in response to issues raised in the audit reports.

Aud+B5:W6it Findings	Category of finding	Description of finding	Finding status	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Other Disclosure	Matters affecting the auditor's report	MPAC/Council oversight resolutions on SCM have not been substantially implemented	New	Change in Management which affects monitoring of the implantation of MPAC/Council Oversight resolutions	Development of Action plan on Implementation of MPAC/Council Oversight resolutions. MPAC/Council Oversight resolutions are in departmental SDBIP and Executive Managers are assessed on them. Progress on implementation of MPAC/Council	1-Jul-16	Ongoing	R Ngoveni	Acting Municipal Manager	In progress	MPAC/Council Oversight resolutions are in departmental SDBIP for 2016/2017 and performance is assessed quarterly.

Initial: Municipal Manager:

Initial: Mayor:

					Oversight resolutions will be a standing Agenda item in the meetings of Executive Managers						
Other Disclosure	Matters affecting the auditor's report	No action plan to address internal audit findings	New	Oversight	Action Plan has been developed and Accounting Officer will implement the recommendation made by Auditor General	1-Jul-16	Ongoing	R Ngoveni	Acting Municipal Manager	In progress	Action Plan has already been developed
Other Disclosure	Matters affecting the auditor's report	No gift Register in place	New	Gift register is in place	Gift Register is in place and resides with Risk Unit. The fraud awareness which is envisaged to be conducted in the third	1-Jul-16	Ongoing	R Ngoveni	Acting Municipal Manager and Risk Officer	In progress	Gift Register is in place and monitored by the Risk Officer

Initial: Municipal Manager:

Initial: Mayor:

					quarter will emphasise the importance of disclosing the gifts and keeping the gift register.						
Other Disclosure	Matters affecting the auditor's report	Risk Unit not resolving SCM disputes	New	Risk Office has been appointed by the Accounting Officer to deal with SCM disputes.	Risk officer has been appointed by the Accounting officer to deal with SCM disputes. Reported monthly to the Accounting officer	1-Nov-16	Monthly	R Ngoveni	Acting Municipal Manager and Risk Officer	In progress	SCM disputes report are submitted monthly to the Accounting Officer
Other Disclosure	Matters affecting the auditor's report	Failure to declare interests in companies which made business with the state	New	Oversight	Awareness is conducted on an annual basis to both Councillors and Employees. We will investigate the matter and corrective	1-Nov-16	Monthly	R Ngoveni	Acting Municipal Manager and Risk Officer	In progress	Awareness is conducted on an annual basis to both Councillors and Employees. We will investigate

Initial: Municipal Manager:

Initial: Mayor:

					measures will be taken based on the results of the investigation. Code of conduct and Consequence management will be enforced.						the matter and corrective measures will be taken based on the results of the investigation . Code of conduct and Consequence management will be enforced.
Other Disclosure	Matters affecting the auditor's report	BAC was not composed of four senior managers and technical expert	Recurring	Non-adherence to Municipal SCM Regulations	The accounting officer to ensure that a bid adjudication committee is composed as per the required	1-Nov-16	Monthly	R Ngoveni	Municipal Manager	In progress	Ensure that the composition of Bid committees complies with the Municipal SCM

Initial: Municipal Manager:

Initial: Mayor:

					regulations.						Regulations
Other Disclosure	Matters affecting the auditor's report	Accounting Officer did not ratify different recommendations made by BEC and BAC	New	Non-adherence to Municipal SCM Regulations	In cases were the BEC's and BAC's recommendations to the AO are different, he/she must state the reasons for agreeing with the recommendations of one committee over the other.	1-Jan-17	Ongoing	R Ngoveni	Municipal Manager	In progress	Ensure that the composition of Bid committees complies with the Municipal SCM Regulations
Predetermined Objectives	Matters affecting the auditor's report	SCM-Bidders awarded the contracts which are above CIDB grading designation	Recurring	Non-Adherence to regulation 17 of Construction industry Development Regulations,	Ensure that all construction contracts are awarded based on CIDB grading. No tender advert must be issued on Potentially Emerging (PE) Contract	1-Dec-16	Ongoing	R Ngoveni	Municipal Manager	In progress	The bid Specifications committee ensures that the specifications are approved with the correct CIDB

Initial: Municipal Manager:

Initial: Mayor:

					without a representation to CIDB and approval thereof on how the Municipality is going to support such contractors						grading
Predetermined Objectives	Matters affecting the auditor's report	Reasons for contract amendment were not tabled in the council	Recurring	Non-adherence to legislations	Implement controls to ensure all extension of contracts by more 20% for construction or 15% for other goods or/and service are tabled to council and notify the local community in line with section 116(3)	1-Jul-16	2017-06-31	ML Muroa	Executive Manager Technical Services	In progress	Implement controls to ensure all extension of contracts by more 20% for construction or 15% for other goods or/and service are tabled to council and notify the local community

Initial: Municipal Manager:

Initial: Mayor:

Predetermined Objectives	Matters affecting the auditor's report	Senior managers and other officials of municipalities failed to prevent fruitless and wasteful expenditure	New	The accounting officer did not ensure that there is available budget for projects before advertising.	Accounting Officer must take reasonable steps to ensure that capacity is established in the administration to assist in the implementation of contract management as outlined in MFMA Section 116 (1) and (2)	1-Jul-16	2017-06-31	ML Muroa	Executive Manager Technical Services	In progress	Ensure that there is enough budget available before approval specifications for advertising
Predetermined Objectives	Matters affecting the auditor's report	Oversight report not made public after its adoption	New	Oversight	The oversight report to be made in public after adoption from Council	1-Jul-16	2017-06-31	W.T Mashita	Manager: Council Support	In progress	The oversight report to be made in public after adoption from Council
Predetermined Objectives	Administrative matters	The 2015/16 annual report performance report did not	New	Oversight on the financial year. The information	The information to be corrected when drafting	1-Aug-16	31-Jan-17	Ngoveni R	Acting Municipal	In progress	The information to be corrected in

Initial: Municipal Manager:

Initial: Mayor:

		include the 2014/15 comparison		reported was correct but the year was wrong	and making submission of the annual report to council for consideration				Manager		the Annual report
Predetermined Objectives	Administrative matters	The 2015/16 mid-year performance assessment report did not take in to accounts the 2014/15 performance.	New	Oversight. The 2016/17 mid-year report included the past year performance	The information to be included in the 2016/17 mid-year to be submitted to the mayor on the 25 January 2017	1-Jul-16	25-Jan-17	Ngove ni R	Acting Municipal Manager	In progress	The information to be corrected in the mid-year report
Predetermined Objectives	Administrative matters	The adjusted 2015/16 SDBIP did not specify monthly projections for revenue sources and expenditures	New	Oversight.	The information to be included in the adjustment for 2016/17 financial year	1-Jul-16	28-Fe-17	Ngove ni R	Acting Municipal Manager	In progress	The information to be included in the adjusted SDBIP
Predetermined Objectives	Administrative matters	2015/16 adjusted SDBIP not made public	New	Oversight.	The report to be published on the	1-Jul-16	28-Feb-17	Ngove ni R	Acting Municipal	In progress	The report to be published in

Initial: Municipal Manager:

Initial: Mayor:

					municipal website after the adjustment				al Manager		the municipal website after the adjustment
Predetermined Objectives	Administrative matters	No date of approval by Mayor on the adjusted 2015/16 SDBIP	New	Oversight	The 2016/17 adjusted SDBIP to be signed by both Mayor and Municipal Manager	1-Jul-16	28-Feb-17	Ngoveni R	Acting Municipal Manager	In progress	The adjusted SDBIP will be signed by both Municipal Manager and Mayor
Predetermined Objectives	Administrative matters	Progress reports submitted not signed	New	Oversight	The quarterly reports to be signed by Municipal Manager before the submissions to Council	1-Jul-17	Ongoing	Ngoveni R	Acting Municipal Manager	In progress	The reports to be signed by municipal manager on a quarterly basis before submission to council
Predetermined Objectives	Administrative matters	No sufficient supporting documents to substantiate the reported targets	New	Oversight	The departmental quarterly reports to be checked by Executive	1-Jul-17	Ongoing	Donald Maphoru	Manager: PMS	In progress	The quarterly departmental reports were done and the POE

Initial: Municipal Manager:

Initial: Mayor:

					Managers and the PMS unit against the Portfolio of evidence						provided to substantiate the performance .
Other Disclosure	Matters affecting the auditor's report	Provisions not complete	New	No provision has been raised for the rehabilitation of the new landfill site	To engage CDM to assist with the calculations for the rehabilitation as they are the ones who appointed the contractor for the construction of the landfill site			RM Ngoveni/ LA Modiba	CFO/ Executive Manager Community Services	In progress	The calculations for the rehabilitation of the new landfill site have been received from the Engineer who was appointed by CDM. The calculations to be submitted to AGSA for ratification
Liabilities	Matters affecting the auditor's report	contingent liabilities were not disclosed	New	the summons expired	all the stale/ expired summons shall be updated on the contingent	1-Feb-17	Ongoing	Mashile Khutso	Legal advisor	In progress	Contingent liabilities shall include the stale summons.

Initial: Municipal Manager:

Initial: Mayor:

					liabilities affecting the audited financial year						
Liabilities	Matters affecting the auditor's report	Non-disclosure of events after reporting date	New	the court application was lodged after the contingent liabilities were already submitted	the contingent liabilities shall be updated to include the matters which were instituted after the submission of the contingency liability	1-Feb-17	Ongoing	Mashile Khutso	Legal advisor	In progress	the contingent liability shall be updated
Human Resources	Other important matters	No Master- file reports to the changes made on the Master File	Recurring	Current system does not have option for master file changes exception report.	Municipality is in process of replacing the system as per MSCOA requirements, Management will ensure that the new system cater for the Master - file changes	1-Dec-16	1-Jun-17	SL Mphahlele	Acting Executive Manager Corporate Services	In progress	Letter was written to National and Provincial Treasury requesting approval for appointment of the recommended service

Initial: Municipal Manager:

Initial: Mayor:

					exceptional report						provider
Human Resources	Other important matters	Roles and responsibilities of Officials were not set out in job description	New	Municipality was in process of restructuring Municipal Organisation al Structure and developing Job Descriptions .	Employees and Trade Unions will be engaged to sign job descriptions	1-Jan-17	1-Mar-17	SL Mphahlele	Acting Executive Manager Corporate Services	In progress	Job descriptions compiled, waiting to be signed. Employees are in process of collecting their new Placement letters.
Payments	Other important matters	Repairs and maintenance amount per general ledger does not agree with the amount per invoice submitted for audit	New	Service provider appointed to manage fleet maintenance and repairs was only submitting the statements without	1. Service provider appointed to manage fleet maintenance and repairs will be requested to submit monthly Statements supported by invoices for service	1-Jan-17	Ongoing	SL Mphahlele	Acting Executive Manager Corporate Services	In progress	Letter written to West bank requesting Invoices from July 2016 to December 2016 supporting the submitted monthly

Initial: Municipal Manager:

Initial: Mayor:

				invoices.	rendered. 2. Invoices for previous months (July to December 2016) will also be requested to support the submitted statements.						statements and to request them to submit Invoices to substantiate expenditure on the monthly statement henceforth.
Information Technology	Administrative matters	Information Technology Governance: Inadequate Service Level management process.	Recurring	Lack of communication between ICT, SCM and Legal Services.	To ensure that the SLA draft get approved.	30-Jan-17	1-Jun-17	SL Mphahlele	Acting Corporate Services Executive Manager	In progress	The SLA draft has been developed and awaiting for compliance verification by Legal Services.
Information Technology	Administrative matters	User Access Control: User Access Controls Inadequately implemented on	Recurring	Budget and Treasury. department do not have a Finance	The position /functions of Finance System Administrator should be	30-Mar-17	1-Dec-18	SL Mphahlele/ Rosina Ngoveni	Acting Corporate Services	Not yet started	No progress

Initial: Municipal Manager:

Initial: Mayor:

		Venus, Pastel, Cash drawer and IQUAL		System Administrator to check and verify IT reviews and updates on user access functions on the Financial system.	implemented or carried out. The person should report in the Budget and Treasury in order to work hand in hand with ICT on the financial System user access review.			Executive Manager/ Chief Finance Officer		
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(h) Any explanations that may be necessary to clarify issues in connection with financial statements.

- No Information

(i) Any information as determined by the municipality.

- No Information

## (j) Any recommendations of the municipality's audit committee (2015/16 financial year).

It is an honour to present the report of the Audit Committee to Council of Lepelle-Nkumpi Local Municipality (LNLN). The purpose of this report is to provide the Council with an update regarding the activities carried out by the Audit Committee in 2015/2016 Financial year. The report should serve as a tool to enable Council to take resolutions and corrective actions on areas where the Audit Committee has made recommendations, as this report articulates clearly the findings in terms of all the factual observations, weaknesses and discrepancies identified as well as practical recommendations to improve the situations.

### **Purpose**

The purpose of the report is to give Council a summary of work performed by Audit Committee in 2015/2016 Financial year.

### **1. Audit Committee Responsibility**

Audit Committee reports that, it has partially managed to comply with its roles and responsibilities as outlined by section 166 of the MFMA and the approved charter. This notwithstanding, the Audit Committee was adopted appropriate formal terms of reference as contained in the Audit Committee charter approved by the Municipal Council and has regulated its affairs in compliance with the charter and has discharged some of its responsibilities as contained therein.

The Audit Committee is supported by the Internal Audit unit of the Municipality in order to discharge and fulfill its responsibilities.

*In terms of section 166 of the Municipal Finance Management Act, the Audit Committee shall:*

- a) advise the Municipal Council, the political office bearers, the accounting officer and the management of the municipality, on matters relating to:
  - i. internal financial control and internal audit
  - ii. risk management
  - iii. accounting policies
  - iv. the adequacy, reliability and accuracy of the financial reporting and information
  - v. performance management
  - vi. effective governance
  - vii. Compliance with the MFMA and any other applicable legislation.
  - viii. performance evaluation
  - ix. Any other issues referred to it by the municipality or municipal entity.

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Initial: Municipal Manager:

Initial: Mayor:

- b) Review the annual financial statements to provide the municipal council and the management with an authoritative and credible view of the financial position of the municipality, its overall level of compliance with MFMA or any other applicable legislation.
- c) Respond to 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 requested by the municipal council.
- e) Perform such other functions as may be prescribed

**2. Audit Committee Members and Attendance**

The Audit Committee was appointed with effect from 01 February 2014. It consists of the members listed hereunder and meets at least four times a year or more when the need arise. During 2015/2016 financial year 7 meetings were held, four (04) ordinary meetings on and four (03) special meetings by the committee. The Audit Committee was able to comply with section 166 (4) (b) of the Municipal Finance Management Act and the approved Audit Committee charter.

Date of Appointment	Name of Member	Portfolio	Ordinary Meetings attended	Special Meetings attended	Total Meeting Attended
01 February 2014	Mr. PK Legodi	Chairperson	1	1	2
01 February 2014	Mr. S Ngobeni	Member	4	2	6
01 February 2014	Mr. MP Mongalo	Member	4	3	7
01 February 2014	Mr. MG Mathabathe	Member	2	3	5
01 February 2014	Ms. NJ Manthata	Member	4	3	7

**3. Attendance of Audit Committee Meetings by Officials**

Meetings held were in line with MFMA and audit committee charter, intended objectives were **partially met**, and attendance was **satisfactory**.

**4. Audit Committee inputs on progress report on implementation of previous audit committee resolutions**

Management should ensure that all outstanding Audit Committee resolutions are implemented. **Refer to the below information for status of implementation of Audit Committee resolutions:**

**4.1 AUDIT COMMITTEE RESOLUTIONS FROM FEBRUARY 2014 to JUNE 2015**

Period	Number of resolutions raised	Number of resolutions in progress	Number of resolutions addressed	Number of resolutions outstanding	%
February 2014 to June	333	23	253		76%

Initial: Municipal Manager:

Initial: Mayor:

2016			57	
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#### 4.2 Summary of outstanding resolutions

Department	Number Outstanding
Municipal Manager	41
Corporate	24
Planning & LED	1
Budget & Treasury	5
Technical	1
Community	1
CAE	1
Risk Officer	3
Adjudication committees	None
COGHSTA	None
All Attending AC Meeting	None
Audit Committee	3
<b>Total</b>	<b>80</b>

#### 5. The Effectiveness of Internal Control

The system of internal control is designed to manage risk in the municipality and to ensure that the municipality is able to achieve its objectives and goals. **Scrutiny of Internal Auditor's reports indicates that there are serious weaknesses in the implementation of the designed internal control system of the municipality. We further determined that although Municipality has established a mechanism to ensure that Internal Audit findings are addressed that mechanism is not adhered to by Management. Furthermore there is no system in place to ensure that the approved policies are implemented hence majority of the Internal Audit Findings are for Non - Compliance.** A review of the risk profile was conducted by the Risk Management unit and

Initial: Municipal Manager:

Initial: Mayor:

management to review the risk exposure to the municipality in order to update the risk profile of the municipality. Quarterly Risk Management reports reflect the poor implementation of risk mitigation measures by the following departments:

- Municipal Manager's Office
- Corporate Services
- Planning & LED
- Technical Services
- Community Services

#### **6. The effectiveness of the Internal Audit Activity**

The Internal Audit unit consists of the Chief Audit Executive, Senior Internal Auditor – Risk Based, Senior Internal Auditor – Performance Management and Internal Auditor. The unit is encountering the following challenges:

- Late submission of the supporting documents and information by some of Executive Managers.
- Slow response to Internal Audit Findings (Non – adherence to the agreed submission dates).
- Unavailability of funds to cater for the trainings/development of Internal Audit staff which leads to non-compliance to IIA Standards.
- Delays in addressing Internal Audit Findings by Management.
- Inability to implement Internal Audit Plan due to shortage of staff in the Unit.

It is the view of the Audit Committee that the effectiveness of the Unit is not satisfactory due to Shortage of Staff, late submission of documents and delay in responding to management comments which affects the progress on implementing the approved Audit plan.

**The positions of the internal auditor which was approved in 2011/2012 financial year should be budgeted for in 2016/2017 financial year.**

**Council should establish a system to monitor the implementation of Internal Audit and External Audit findings as part of operation clean audit campaign and Combined Assurance e.g. MPAC or Executive Committee to monitor performance of management in addressing Internal Audit, AGSA Findings and Audit Committee Resolutions**

#### **7. Implementation of Internal Audit Plan**

Out of 13 projects planned for 2015/2016 financial year 10 Projects were audited.

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Initial: Municipal Manager:

Initial: Mayor:

2015/2016 Internal Audit plan was reviewed and Audit Committee approved on 14 June 2016 to be move below projects to 2016/2017 Audit Plan due to the reasons outlined:

<b><u>Audit project</u></b>	<b><u>Challenge</u></b>
Cash Management	Labour disputes affected the implementation of the approved plan and additional work to assist Risk Unit due to resignation of Risk Officer
IT Audit	IT Auditor from CDM committed with other projects – AGSA already on site at the district
Review of quarterly AFS	Labour disputes affected completion of quarterly AFS by Budget & Treasury Department.

**Risk areas of the municipality covered in the scope of Internal Audit work.**

The following Internal Audit reports presented to the Audit Committee:

- Supply Chain Management
- Review of Municipal Communication Systems
- Performance Management – Compliance Matters
- Audit of Performance Information for 3 quarters (1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>)
- Review of 2014/2015 Annual Report
- Review of AGSA Action Plan
- Audit of Landfill site for two quarters (2<sup>nd</sup> and 3<sup>rd</sup>)
- Project Management
- Risk Management Processes
- Observation of Annual Stock Count Processes.

The findings on the report indicated that the Municipality needs to strengthen control,

**We have noted that most of the findings raised by Internal Audit is for non – compliance, Acting Municipal Manager should take strict measures against Non – Compliance.**

**Internal Audit Findings are recurring.**

**8. Approval of Strategic Internal Audit Plan**

Audit Committee approved 3 years rolling plan and annual Internal Audit plan for 2016/2017, 2017/2018 and 2018/2019 financial years.

**9. Review of Internal Audit and Risk Management documents**

Audit Committee reviewed the following documents and recommended approval by Council:

- Internal Audit Methodology
- Internal Audit Charter
- Audit Committee Charter
- Gift Policy
- Risk Management Strategy
- Fraud Prevention Strategy
- Whistle Blowing Policy
- 2016/2017 Risk Profile

**10. Accounting and auditing matters**

- Municipality should put more effort on implementing issues raised by Auditor General.
- Management should address matters raised by Internal Audit Unit to as Auditor General will report what reported as such.
- Municipal Manager should establish a monitoring tool to ensure that internal audit findings are addressed.
- Identified risks should be given priority.

**11. Audit Committee inputs on Infrastructure and Service Delivery**

- Management should improve in planning to avoid delays in the appointments of the service providers which lead to withdrawal of GRANTS and it hampers service delivery which is the core function of the Municipality.
- Municipality should ensure that all the service providers start with the implementation of the project in the first quarter of the year by implementing forward planning.
- Performance of the service providers should be regularly monitored to ensure that the outputs are as per the SLA and scope of work.

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Initial: Municipal Manager:

Initial: Mayor:

- Performance of the Municipality on Service delivery is unsatisfactory, it need continuous monitoring by relevant authority as it expose the Municipality to a reputational risk and Community dissatisfaction. Audit Committee recommends that performance of Service provider be reported to Council on quarterly basis
- Council should ensure that strict measures are taken against poor and non-performance as part of Consequence Management.
- The causes for re – advertisements of 2014/2015 financial year should be investigated.
- Root causes for re – advertisements of tenders should be addressed accordingly and wasteful expenditure should be recovered from the affected officials. Necessary disclosure in the AFS should be effected.
- Project risk assessment should be performed regularly.
- Acting Municipal Manager should discuss Bid Specification Committee report with the affected Executive Manager prior certifying for advertisement to avoid re-advertisements.
- Management should ensure compliance with SCM processes when appointing service providers.

#### **12. Audit Committee inputs on Land Matters**

- Management should consider having awareness campaign on the matter of land.
- Shortfall for registration of Municipal Properties should be budgeted for during adjustment budget in case there are savings from other votes accelerate the process of registering Municipal properties as it is negatively affecting Audit Opinion.
- Challenges with regard to the registration of land in the name of the Municipality should be communicated to AGSA prior the Audit and seek advice as the finding will be recurring in 2015/2016 Audit.

#### **13. Audit Committee recommendations on SCM report**

- Fruitless expenditures should be identified and report should be submitted to the relevant authority e.g (Re- advert of tenders).
- Municipality should ensure compliance to MFMA when dealing with Fruitless and Wasteful expenditure.
- Municipality should improve on planning to avoid deviations from SCM processes.
- Management should account for poor planning.
- Strict Measures should be taken against non-compliance to SCM Processes.

#### **14. Audit Committee inputs on Risk Management**

- Management should take accountability on risk issues.
- Audit findings and Mitigation of risk should be included in the performance agreements of the Executive Managers.
- Municipal Council should ensure that resources are increased in the Risk Unit as there is a shortage of staff. Only one employee with two Interns appointed, responsible to facilitate risk processes within the Municipality and also conduct investigations and monitor implementation of mitigation measures.

Initial: Municipal Manager:

Initial: Mayor:

- Majority of the risks are not mitigated, as a result the Audit Committee recommends that the municipality should improve on the action to mitigate these risks and furthermore Council should monitor the mitigation of top ten risks.
- **Audit Committee recommends that Official from Council support should be appointed to assist MPAC with Secretariat work while waiting for appointment of MPAC Researcher as Risk Unit is struggling to execute their duties due to workload.**
- Management in the Municipality hold meetings that will provide the management adequate time to address both conceptual and practical risk issues before reporting to the Audit Committee.
- Management should ensure that Audit Findings on Risk Management processes should be addressed prior AGSA Audit.
- Management should identify strategic risk during the review of Municipal strategies.

#### **15. Audit Committee recommendations on Investigation reports**

- All the crime related investigations should be reported to SAPS.
- Acting Municipal Manager should ensure that investigations proceed even when the affected employees rendered his/her resignation letter.
- Management should make regular follow – ups with SAPS to trace progress on the case reported regarding fraud on Fuel and other cases.
- Management should ensure that the matter related to fraudulent letter written to Lebowakgomo Hospital is reported to SAPS.
- Management should proceed with the disciplinary process of the official forwarded fraudulent letter to Lebowakgomo Hospital.
- Allegation of injury on duty should be reported in terms of Compensation Occupational Injuries Diseases Act and the investigation should be finalized.

#### **16. Audit Committee Inputs on 2014/2015 AGSA Report**

Audit Opinion for 2014/2015 financial year is qualified

##### Basis for Qualified Opinion:

- Property, Plant & Equipment
- Cash Flow Statement
- Irregular Expenditure
- Commitments

#### **Audit Committee recommendations:**

##### **16.1 Internal Controls on Implementing Internal Control Deficiency**

- Action Plan on Implementation of 2014/2015 AGSA Findings should be developed, monitored regularly and implemented.
- The action plan should serve before Audit Steering Committee, management, risk management committee, audit committee, MPAC and Council on regular basis.

Initial: Municipal Manager:

Initial: Mayor:

- Management should be honest when identifying root causes, and ensure that the action plan address the current status and future to ensure that the finding is not recurring.
- 2014/2015 Action Plan on Implementation of AGSA findings should be forwarded to all Stakeholders, including AGSA for their inputs.
- Management should resuscitate Audit Steering Committee meetings and Executive Management meetings to monitor the progress in implementation of AGSA findings.
- Assets Management should be given attention and Performance of the Service Provider appointed (PWC) should be monitored by agreeing the scope of work with the deliverance.
- Monitoring tool for implementation of Internal Audit Findings should be developed and implemented.
- Council should ensure that monitoring tool on Internal Audit findings is effective.
- Strict measures should be taken against non-implementation of Internal Audit findings.
- Management should engage the service of an external service provider to assist in clearing all AGSA findings on or before February 2016 as well as performing an assessment of capacity of the Budget and Treasury Office.
- Preparation of GRAP compliant quarterly financial statements.
- Management should engage AGSA with view of conducting an interim audit.

**16.2 Property, Plant and Equipment**

- Performance of service providers should be assessed to determine value for money.
- Progress report on skills transfer plan should be compiled and monitored to ensure that the Municipality will be able to take over after PWC.
- Management should investigate all the assets that could not be located in the assets register by AGSA and further update the assets register accordingly, progress report should be provided to Audit Committee quarterly.
- Land matter raised by AGSA should be attended to avoid recurring of finding.
- Shortfall for registration of Municipal Properties should be budgeted for during adjustment budget in case there are savings from other votes accelerate the process of registering Municipal properties as it is negatively affecting Audit Opinion.
- AGSA should be regularly engaged when addressing the findings to avoid recurring of errors or findings.

**16.3 Cash Flow Statement and Commitment**

- Systematic review of reports should be performed.
- Quarterly AFS Should be developed and submitted to Audit Committee on time for review.
- Errors identified by AGSA should be addressed urgently.
- AGSA should be regularly engaged when addressing the findings to avoid recurring of errors or findings.

#### **16.4 Consequence Management**

- Consequence Management should be implemented by Council.
- Establishment of disciplinary board to investigate allegations of financial misconduct and monitor the institution of disciplinary proceedings against an alleged transgressor;
- MPAC and Audit Committee recommendations should be implemented to address irregularities.
- Consequence Management should be imposed on all AGSA findings raised.

#### **16.5 Supply Chain Management**

- Excessive Deviations, Irregular and Fruitless expenditure should be avoided and measures be taken against them.
- Accounting Officer should take action against non – Compliance to SCM Policy and regulations.
- Strict measures should be taken against non-compliance to SCM regulations, and policies.
- SCM Risk identified should be mitigated and quarterly SCM risk assessments should be addressed.
- All Internal Audit findings on SCM processes should be addressed.
- All the irregular and fruitless and wasteful expenditure disclosed in the annual financial statements should be investigated and remedial action taken on or before March 2016
- Accountability should be enforced.

#### **16.6 Predetermined Objectives**

- Performance of Executive Managers should be assessed as per regulations.
- Management should improve on performance information.
- Audit Committee recommendations and Internal Audit findings on predetermined objectives should be addressed.
- Council should establish a tool to ensure that Internal Audit findings and Audit committee recommendations are implemented as AGSA finding have been identified during the year but not addressed.
- Consequence Management should be enforced within the Municipality on poor performance.
- PMS unit should be strengthened and review of reports by the Unit should be performed regularly.
- Management should improve on planning
- Municipality should develop a documented and approved internal policies and procedures to address the process of collecting, recording, processing, monitoring and reporting of performance information.

#### **16.7 Risk Management Strategy and Risk Management**

- Emerging risks identified by AGSA should be included in the list of Municipal Emerging risk register and implementation be monitored regularly.
- Council and Management should budget and mitigate the strategic risks reflecting in the risk profile of the Municipality to ensure effective risk management within the Municipality.
- Emerging Risks should be regularly identified and addressed.

- All AGSA findings should be incorporated in 2015/2016 Municipal Risk Profile and implementation should be regularly monitored.
- Internal Audit Findings should be incorporated in the risk register quarterly and mitigated.

#### **16.8 Record Management System**

- Management should strengthen record management within the Municipality, Record management policies should be implemented.

#### **16.9 Policies and Procedures**

- Management should develop a monitoring tool to ensure that Acts, regulations, policies and procedures and adhered to.

#### **16.10 Human Resources Management**

- Municipality should improve their recruitment and appointment processes by accelerating the filling of vacant posts.
- Executive Managers should outline in Appointment of staff report the impact to service delivery or implementation of IDP in case positions are not filled to assist in prioritizing positions.
- Regular training should be provided to employees.
- Process of approving Job Descriptions should be accelerated to enable Management to assess performance of employees.

#### **16.11 ICT**

- AGSA should provide assessment of Municipal readiness on MSCOA.
- ICT management should be improved within the Municipality by ensuring that compliance to applicable legislations and policies are enforced.

### **17. Audit Committee inputs on Implementation of AGSA Findings**

Below is the summary of implementation of 2014/2015 AGSA findings:

<b>Department</b>	<b>Total Number of Findings</b>	<b>Addressed Findings</b>	<b>Outstanding</b>	<b>In progress</b>	<b>%</b>
Municipal Manager's Office	30	8	18	4	27%
Budget & Treasury	63	34	4	25	54%
Corporate Services	8	4	0	4	50%
Planning & LED	6	5	0	1	83%
Community Services	1	0	0	1	0%
<b>Total</b>	<b>108</b>	<b>51</b>	<b>22</b>	<b>35</b>	<b>47%</b>

- Monitoring of Implementation of AGSA Findings by Risk Management Committee and Audit Committee should be ongoing.
- Municipality should ensure compilation of Quarterly AFS that are reviewed by Audit Committee.

Initial: Municipal Manager:

Initial: Mayor:

- Consequence Management should be implemented.
- Develop Action Plan on Implementation of Internal Audit Findings and Monitor Implementation
- Mitigation of Identified risk
- Resuscitation of Audit Steering Committee meetings throughout the financial year.

#### **18. Audit Committee inputs on Progress Report on Appointment of Staff**

- Management should accelerate the appointment processes.
- Vacant Positions for Internal Audit Unit should be appointed by 30 June 2016.
- **Audit Committee observed a culture of delays in appointment of staff, it takes months to fill the advertised positions, Acting Municipal Manager should ensure that the appointment processes are as per the timeframes reflecting in the approved polices.**
- **Placement should not be used as a tool to promote staff.**
- **Placement policy should be considered when performing actual placement.**
- **Placement should be performed by Management not Unions as it is the responsibility of the Accounting officer to appoint staff, and Recruitment and appointment policy of the Municipality outline the appointment process.**
- **Management should accelerate the process of Job descriptions.**

#### **19. Audit Committee recommendation on ICT Report**

- ICT risk assessment should be performed.
- Municipality purchased 150 licenses but the users are 188. It was resolved that Municipality should purchase licenses for every User during second quarter, as the practice is against the law which will lead to penalties.
- Municipality should consider appointing an independent person who is not member of Audit Committee to chair ICT Committee.
- Municipality should develop ICT Policy guided by Municipal Corporate Governance of Information & Communication.
- Master System Plan should be developed

#### **20. Audit Committee recommendation on Litigation**

- Reconciliation of contingent liability should be incorporated in the litigation report.
- Money should be collected for Matters dismissed with costs
- All the stakeholders affected by matters dismissed with costs should be raised as debtors in the financial reports
- Audit on Legal fees should be performed in 2016/2017 financial year.
- A full report on progress made on Dinoka Developers & Construction matter should be compiled and submitted to Audit Committee.
- Audit Committee is concern about high number of litigations against the Municipality, which may adversely affect service delivery and may give rise to financial risk, compliance risk and Cash – Flow risk.

**21. Audit Committee recommendation on Compliance matters**

- Compliance report should be compiled and submitted to Audit Committee quarterly.
- Compliance report should cover all key legislation affecting the Municipality.
- Audit Committee is concern about compliance to applicable legislations as majority of Internal Audit findings raised is for non – compliance.

**22. Audit Committee recommendations on SCM report**

- Fruitless expenditures should be identified and report should be submitted to the relevant authority e.g (Re- advert of tenders).
- Municipality should ensure compliance to MFMA when dealing with Fruitless and Wasteful expenditure.
- Municipality should improve on planning to avoid deviations from SCM processes.
- **AGSA Finding for 2014/2015 Financial year should be prioritized and avoid recurring of those findings.**
- **Consequence Management should be strengthened, irregular, fruitless and unauthorized expenditures should be investigated and measures be taken based on the Investigation findings.**
- **Accounting Officer and/or Chief Financial Officer should be notified in writing for all quotations accepted on a monthly basis as prescribed by legislation.**

**23. Audit Committee inputs and recommendations on Performance Management**

- Municipal Manager should ensure that strict measures are taken against poor performance.
- Performance by departments should be monitored on a monthly basis and challenges be addressed on time.
- Executive Manager Planning and LED should ensure that the submitted quarterly reports are reviewed for completeness and all supporting documents are submitted.
- Acting Municipal Manager should ensure that all Internal Audit and AGSA findings raised regarding PMS are addressed.
- **Performance of the Municipality on Service delivery is unsatisfactory, it need continuous monitoring by relevant authority as it expose the Municipality to a reputational risk and Community dissatisfaction.**
- **Service Providers’ Performance reports should be compiled monthly for all the service providers appointed and should further be submitted to Council on a quarterly basis as prescribed by Legislation.**
- **Performance Assessment of the Municipality should be conducted by external Stakeholders (CDM, COGSTA & Provincial Treasury) to determine the root cause of poor and/or non-performance.**
- **Overall performance of the Municipality for audited 1<sup>st</sup>, 2<sup>nd</sup> and third quarter**

<i>Department</i>	<i>Indicators to be achieved in the first</i>	<i>Achieved Indicators</i>	<i>Indicators not achieved</i>	<i>Third quarter Performance</i>	<i>% of 2<sup>nd</sup> quarter Performance</i>	<i>% of 1<sup>st</sup> quarter Performance</i>

Initial: Municipal Manager:

Initial: Mayor:

	<i>quarter</i>					
Municipal Manager's Office	27	6	21	22%	42%	52%
Corporate Services	48	17	31	35%	20%	51%
Planning & LED	29	8	21	28%	21%	25%
Budget & Treasury	19	11	8	58%	43%	54%
Technical Services	44	5	39	11%	28%	23%
Community Services	24	11	13	46%	26%	48%
<b>Institutional performance</b>	<b>191</b>	<b>58</b>	<b>133</b>	<b>30%</b>	<b>28%</b>	<b>40%</b>

**Note:** Community Services – COM 21 is not considered as it does not reflect in the approved SDBIP. Planning & LED – 3 indicators projected for second quarter not reported in the quarterly report. Municipal Manager's Office – 4 indicators projected for second quarter not reported in the quarterly report. **Municipal Manager's Office excludes Internal Audit as we cannot audit ourselves.**

**24. Audit Committee inputs on 2015/2016 Mid-\*year Performance Report**

- Audit Committee was unable to exercise their responsibility effectively of reviewing the 2015/2016 Draft Mid-year Performance report as they were provided late.

**25. Audit Committee inputs on 2015/2016 Draft Annual Performance Report**

- Acting Municipal Manager should perform the assessment of the departments not PMS Manager.
- Quality assurance on the report should be performed by the Executive Managers.
- Departmental performance should be in line with the actual performance of the Municipality.
- Evidences should be in place to substantiate reported information.
- Departmental performance should be incorporated in the report.
- Service providers' performance report should cover all the service providers rendered service within the Municipality in 2015/2016 financial year not only for Infrastructure Department.
- Expenditure reported in the Service Providers performance report should correspond with the expenditures in the AFS.
- Rating of service providers should be defined. (E.g Explanation of 5 point).

Initial: Municipal Manager:

Initial: Mayor:

- Project risk Assessment should be performed regularly.
- Physical work performed should be outlined in the Service Providers' performance report
- Explanation of variances and mitigations should talk to each other.
- Root causes for non-performance should be stated in the report and mitigation completed should address the root cause.

**26. Audit Committee inputs on 2015/2016 Reviewed SDBIP**

- Audit Committee was unable to exercise their responsibility effectively of reviewing the 2014/2015 Draft Reviewed SDBIP as it was sent to them during the meeting.
- Audit Committee was unable to provide opinion or adequately advise on the information distributed during the meeting.

**27. Audit Committee inputs on 2015/2016 Adjustment Budget**

- Audit Committee was unable to exercise their responsibility effectively of reviewing the 2014/2015 adjustment Budget as it was sent to them during the meeting.
- Audit Committee was unable to provide opinion or adequately advise on the information distributed during the meeting.
- **Budget and SDBIP are the main documents on which Audit Committee have to give advice to Council but late submission limit their scope.**

**28. Audit Committee inputs on 2016/2017 IDP, Budget and SDBIP**

- Municipality should consider forward planning to avoid poor performance.
- Councilors should be updated with the new updates. E.g Centralized SCM Database.
- Cash flow projections should be corrected.

**29. Audit Committee inputs on reviewed 2016/2017 Budget related policies**

**29.1 Overtime Policy**

- Municipality should consider appointing more Traffic Officers to create employment.

**29.2 Travel & Car Allowance, and Cell-phone Policy**

- Every policy that has figures that change should have reference of the governing principle.
- Extending Car and Cell – Phone allowance will increase Salary bill which will results in non-compliance to regulations.
- Municipality should consider having two way radios for people working on site.
- Speed – dial should be considered to reduce telephonic costs.

**29.3 Policies should be amended to cover the following:**

- Define basis for getting allowance

Initial: Municipal Manager:

Initial: Mayor:

- Car allowance – Employee should maintain a log – book which will be provided to the Employer when needed.
- Management should consider giving notice to Level 4 going down officials who have allowances but not qualifying for them to keep logbook for six months, in case management is certain that official does not qualify car allowance should be withdrawn from the employee and the allowance be incorporated to the Employee’s salary.
- Officials from level 4 who need car allowance should submit motivation and logbook to support their need.

**30. Audit Committee Inputs on quarterly 2015/2016 AFS:**

- Information completed on the AFS should correspond with the balances reflecting in the Section 71 report.
- Information completed on note 16 should be re-visited, management should ensure that the information reported correspond with the information reflecting in the valuation roll.
- Notes to substantiate information relating to comparative figures should be included in the AFS.

**Note:** Audit Committee received AFS for first quarter only.

**31. Audit Committee inputs on 20152016 Draft Annual Financial Statement**

- Align water issues with what is reported at CDM
- Ensure that the inventory reconciliations are in order
- Revisit the grants amounts
- Agree the opening balances with the previous year closing balances
- Make notes for prior year adjustments
- Ensure that the amounts on the AFS agree with the amounts on notes and GL.
- Ensure that Salaries suspense Account challenges are addressed
- Management should ensure that supporting documents are in place and Executive Managers are available during Audit Processes.
- Management should ensure that Actuaries variation information and calculations are in order.
- AFS be submitted to Auditor General by 31 August 2015.
- Council should be notified of the missing SLA’s and new SLA’s be signed as the retention amount is not yet paid.

**32. Audit Committee inputs on Service Providers Performance report**

- Comprehensive and consolidated institutional Service Providers quarterly assessment reports should be submitted to Audit Committee and Council.
- Monthly Service Providers Performance reports should be submitted to Municipal Manager.

**33. The Quality of the Reports**

The Audit Committee is concern about late submission of reports and documents to Audit Committee as it is limiting them to provide quality service to the Municipality.

Initial: Municipal Manager:

Initial: Mayor:

**34. Audit Committee inputs on SCM Processes relating to the Upgrading of Internal Street from Gravel to Paving Lebowakgomo Phase 3 and Appointment of Service Provider for Closure and Rehabilitation of the Old Dumping site in Zone A**

<b><i>Project</i></b>	<b><i>Service Provider Appointed</i></b>
Upgrading of Internal Street from Gravel to Paving Lebowakgomo Phase 3	Melrose Civil and Building Construction
Appointment of Service Provider for Closure and Rehabilitation of the Old Dumping site in Zone A	Kgokagano Trading

The following irregularities were identified during the inspection of the supporting documents and interview with the Acting Municipal Manager (Mr. NL Ramothwala):

- Non – Compliance to SCM regulations.
- Poor quality reports from Bid Committees.
- Non – Compliance to SCM Processes.
- Conflict of Interest by Risk Officer – **Risk Officer is involved in the SCM processes, he is verifying existence and status (Whether active or not) of the recommended companies and further perform reference checks of those companies. Accounting Officer requested the Risk Officer to perform Investigation of the recommended companies’ prior appointment.**
- Unavailability of supporting documents to substantiate that Risk Officer was requested to perform Investigations.
- Unavailability of the supporting documents to substantiate that Acting Municipal Manager engaged Bid Committees prior appointment of the Service providers not recommended.
- Above Service Providers appointment processes outlined possibility of serious maladministration and Red flags for fraud and serious non-compliance.

Audit Committee recommended that Council should consider Special Investigation on SCM Processes relating to the Upgrading of Internal Street from Gravel to Paving Lebowakgomo Phase 3 and Appointment of Service Provider for Closure and Rehabilitation of the Old Dumping site in Zone A.

**35. Challenges that need immediate attention**

- Change in Management – Recurring acting on Municipal Manager’s position
- Non – Compliance to SCM Processes
- Late submission of documents to Audit Committee by Management which results to limitation of Audit Committee Scope.
- Executive Management reluctant in implementing Internal Audit recommendations.
- Delays in appointment of service providers.
- Delays in appointment of staff.

Initial: Municipal Manager:

Initial: Mayor:

- Re – Advertisement of tenders.
- Unavailability of staff in Risk Unit.
- Delays in conducting Annual Assessments and Mid – Year Assessments of Executive Managers.
- Unavailability of plan to perform 2015/2016 Annual Assessment of Executive Managers.
- Poor performance of the Municipality.
- Recurring Risk
- Excessive legal costs.
- Recurring PMS Findings
- Labour disputes which lead to poor performance of the Municipality and reputational risk.
- Overall performance of the Municipality.

**36. Audit Committee Recommendation**

We recommend that Council note 2015/2016 Annual Audit Committee report, and enforce implementation of Audit Committee resolutions. Council should intervene on the challenges raised by Audit Committee specifically filing of critical positions.

The report may be attached as the component of 2015/2016 Municipal Annual report as prescribed by legislation.

**Conclusion**

We would like to thank Management and Internal Audit for their continues support. Their support has certainly made our job easier. We also thank members of Council for your support in advance.

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**On behalf of the Audit Committee**  
**Mr. PK Legodi (Chairperson)**

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**Date**

(k) Any other information as may be prescribed.

## **ANNUAL RISK MANAGEMENT REPORT 2015/16 FINANCIAL YEAR**

For and on behalf all the members of the esteemed municipality risk management committee, I derive great pleasure and honour in presenting the Annual risk management committee report for the financial year 2015/2016 in accordance with the applicable legislative provisions.

### **1. Introduction**

This report is prepared for the Acting Municipal Manager and Audit Committee (AC) in terms of Public Sector Risk Management Framework and other applicable regulations. The report covers the period from 01 July 2015 to 30 June 2016 and focuses mainly on the risk management activities of the municipality. The report deals with the overview of risk management activities highlights and challenges facing the municipality.

### **2. Legislative Framework**

The applicable legislations governing risk management arrangement with this sphere of government are: Constitution of RSA, MFMA, Treasury Regulations, Public Sector Risk Management, Batho Pele Principles, King III report on corporate governance, and ISO 31000.

### **3. Responsibility of the Accounting Officer**

(1) The Accounting Officer is the ultimate Chief Risk Officer of the Institution and is accountable for the Institution's overall governance of risk.

(2) High level responsibilities of the Accounting Officer should include:

- a) Setting an appropriate tone by supporting and being seen to be supporting the Institution's aspirations for effective management of risks;
- b) Delegating responsibilities for risk management to Management and internal formations such as the Risk Management Committee, Fraud Prevention Committee, Finance Committee, Information and Communication Technology Committee;
- c) Holding Management accountable for designing, implementing, monitoring and integrating risk management into their day-to-day activities;

Initial: Municipal Manager:

Initial: Mayor:

- d) Holding the internal structures referred to in 22(2)(b) accountable for performance in terms of their responsibilities for risk management;
- e) Providing leadership and guidance to enable Management and internal structures responsible for various aspects of risk management to properly perform their functions;
- f) Ensuring that the control environment supports the effective functioning of risk management;
- g) Approving the risk management policy, strategy, and implementation plan;
- h) Approving the fraud prevention policy, strategy and implementation plan;
- i) Approving the Institution's risk appetite and risk tolerance;
- j) Devoting personal attention to overseeing management of the significant risks;
- k) Leveraging the Audit Committee, Internal Audit, External Audit and Risk Management Committee for assurance on the effectiveness of risk management;
- l) Ensuring appropriate action in respect of the recommendations of the Audit Committee, Internal Audit, External Audit and Risk Management Committee to improve risk management; and
- m) Providing assurance to relevant stakeholders that key risks are properly identified, assessed and mitigated.

#### **4. Responsibility of the Risk Management Committee**

In discharging its governance responsibilities relating to risk management, the Risk Management Committee should:

- a) review and recommend for the Approval of the Accounting Officer, the risk management policy; risk management strategy; risk management implementation plan; Institution's risk appetite; Institution's risk tolerance; Institution's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Institution's risks.
- b) Evaluate the extent and effectiveness of integration of risk management within the Institution;
- c) Assess implementation of the risk management policy and strategy (including plan);
- d) Evaluate the effectiveness of the mitigating strategies implemented to address the material risks of the Institution;

- e) Review the material findings and recommendations by assurance providers on the system of risk management and monitor the implementation of such recommendations;
- f) Develop its own key performance indicators for approval by the Accounting Officer;
- g) Interact with the Audit Committee to share information relating to material risks of the Institution; and
- h) Provide timely and useful reports to the Accounting Officer on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the Committee.

The RMC reports that it has complied with its responsibilities arising from Public Sector Risk Management Framework. The RMC also reports that it has adopted appropriate formal terms of reference as its RMC Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

#### **5. Strategic Risk Assessment Report**

The Strategic Risk Assessment was conducted and tabled at the council first sitting 2015/16.

*The following risks were identified.*

1. Low revenue collection.
2. Illegal occupation of land.
3. Non-payment of municipal services by consumers.
4. Inability to meet clean audit.
5. Political instability.
6. Culture of non-compliance to legislations, regulations, policies and procedures.
7. Environmental pollution.

#### **6. Fraud risks**

The following fraud risk were identified during the 2015/16 financial year.

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Initial: Municipal Manager:

Initial: Mayor:

1. Non-compliance to traffic legislation.
2. Possible fictitious employees
3. Possible fraud and corrupt activities over SCM processes.
4. Dishonesty over subsistence and travel claims.

## **7. Challenges**

The Challenges facing the unit are, of which are currently receiving attending:

- Insufficient funding budgeted for implementing, maintaining and continuously improving Risk Management and control.
- Non- attendance of meetings by Executive.
- Lack of commitment by certain action owners in the implementation of mitigation strategies
- Risk Management is still at a compliance level and has not yet progressed to form part of the organizational culture (the way we do business) despite intensive training and awareness
- Identifying risks with no set business units objectives
- Reporting and updating of action plans not done timely
- Lack of understanding on roles and responsibilities by new champions
- Lack of validation of risk mitigated and action plans implemented

## **8. Conclusion**

The RMC Chairperson remains confident of the matters raised are receiving due consideration and intervention. RMC committed to fully execute our oversight function and in strengthening Risk Management. Once more, RMC would also like to thank the Acting Accounting Officer for her support, AC, staff and senior management for their efforts for their contribution.

Yours Sincerely

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Initial: Municipal Manager:

Initial: Mayor:

Risk Officer: NC Makhubele

Date: 18 January 2017

Lepelle-Nkumpi Local Municipality

## Organisational Development Performance

SKILLS DEVELOPMENT AND TRAINING				
Designation	Gender		Total number of employees & Councillors provided with training	Number of beneficiaries
MM & S57	Male	1	1	1
	Female	3	1	1
Officials	Male	139	28	1
	Female	96	27	1
Technicians	Male	4	0	
	Female	0	0	
Councillors	Male	31	31	1
	Female	21	21	1
Ward committees	Male	0	0	0
	Female	0	0	0
Learnerships	Male	0	0	0
	Female	0	0	0
Total		295	109	06

Initial: Municipal Manager:

Initial: Mayor:

## Financial competency development

Designation	Gender		Competency assessment completed	Reasons for non-completion
Accounting Officer	Male	0	0	0
	Female	0	0	0
Finance Officials	Male	9	4 yes and 5 No	Studying in progress
	Female	21	9 yes and 11 NO	Studying in progress
Senior Managers (S56)	Male	2	No	Studying in progress.
	Female	2	1 Yes and 1 No	Studying in progress
SCM officials	Male	1	YES	
	Female	3	1 years 2 No	Still in progress
Heads of SCM units	Male			
	Female	1	yes	0
Learnerships	Male	0	0	0
	Female	0	0	0
Total		39	0	0

### Total number of cases handled

Designation	Gender	Nature Of Misconduct	Details Of Disciplinary Action Taken Or Status Of Case And Reasons Why Not Finalised	Date of Suspension	Date Finalized
General worker	Male	Absenteeism	Finalised	n/a	22/03/2016
General worker	male	absenteeism	finalised	n/a	22/03/2016
General worker	male	absenteeism	finalised	n/a	
HR Manager	female	Negligence	Finalised	n/a	01/06/2015
Municipal manager	male	Was not disclosed	Finalised	13/03/2014	22/09/2015

### Employee total, Turnover and Vacancies

Department	Total number of employees	Gender		Filled posts	Vacant posts	Turnover
Budget & Treasury	32	Male	13	32	3	0.1
		Female	19			
Planning and LED	17	Male	11	17	9	0.5
		Female	6			
Technical Services	39	Male	34	39	24	0.6
		Female	4			
Community Services	78	Male	49	78	22	0.3
		Female	29			
Office of Municipal Manager	17	Male	8	16	6	0.3
		Female	8			
Corporate Services	52	Male	22	52	9	0.1
		Female	31			
Total	234		235	235	69	0.2

Initial: Municipal Manager:

Initial: Mayor:

## 2015/16 Audit Outcome

The responsibility was to express an opinion on the financial statements, to express a conclusion on the Annual Performance Report in the management report and to report on material findings relating to compliance with specific requirements in key applicable Laws and regulations as set out in the General Notice issued in terms of the public Audit Act, 2004 (Act No.25 of 2004) (PAA). The engagement letter set out the responsibilities of the Accounting Officer in detail.

This management report includes audit findings arising from the audit of the financial statements, reporting on predetermined objectives and compliance with Laws and Regulations for the year ended 30 June 2016 which were communicated to management and includes their response to these findings. The report also includes information on the internal control deficiencies that were identified as the root cause for the matters reported and addressing these deficiencies will assist in ensuring an improvement in the audit outcomes.

Below is the Audit Outcomes for the past years.

Financial years	2012/13	2013/14	2014/15	2015/16
Audit Opinions for previous financial year	Disclaimer	Qualified	Qualified	Qualified

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

\_\_\_\_\_  
Date

Initial: Municipal Manager:

Initial: Mayor: