



CONTENTS

CONTENTS	1
CHAPTER1	4
COMPONENT A: MAYOR'S FOREWORD	5
COMPONENT B: EXECUTIVE SUMMARY	
1.1. MUNICIPAL MANAGER'S OVERVIEW	
1.2. MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW	
1.3. SERVICE DELIVERY OVERVIEW	
1.4. FINANCIAL HEALTH OVERVIEW	14
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	16
1.6. AUDITOR-GENERAL's REPORT	
1.7. STATUTORY ANNUAL REPORT PROCESS	
CHAPTER 2	
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	
2.1 POLITICAL GOVERNANCE	
2.2 ADMINISTRATIVE GOVERNANCE	24
COMPONENT B: INTERGOVERNMENTAL RELATIONS	
2.3 INTERGOVERNMENTAL RELATIONS	
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	29
2.4 PUBLIC MEETINGS	29
2.5 IDP PARTICIPATION AND ALIGNMENT	32
COMPONENT D: CORPORATE GOVERNANCE	
2.6 RISK MANAGEMENT	
2.7 ANTI-CORRUPTION AND FRAUD	
2.8 SUPPLY CHAIN MANAGEMENT	
2.9 BY-LAWS	
2.10 WEBSITES	37
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	
CHAPTER 3	
COMPONENT A: BASIC SERVICES	
3.1. WATER PROVISION	
3.2 WASTE WATER (SANITATION) PROVISION	
3.3 ELECTRICITY PROVISION	
3.4 WASTE MANAGEMENT	
3.5 HUMAN SETTLEMENTS	
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	
COMPONENT B: ROAD TRANSPORT	
3.7 ROADS AND STORM-WATER DRAINAGE	
3.8 LICENSING SERVICES COMPONENT C: PLANNING AND DEVELOPMENT	('2
3.9 PLANNING 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETING)	
3.10 LOUAL ECUNOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETING)	۲۵
3.11 FRESH PRODUCE MARKET	02

Preface

COMPONENT D: COMMUNITY & SOCIAL SERVICES	85
3.12 LIBRARIES, MUSEUMS, ARTS AND CULTURE	85
3.13 CEMETERIES	90
COMPONENT E: ENVIRONMENTAL PROTECTION	92
3.14 PARKS, FAAN MEINTJES NATURE RESERVE and AERODROME	92
COMPONENT F: HEALTH	
3.15 OCCUPATIONAL HEALTH CENTRE	94
COMPONENT G: SECURITY AND SAFETY	97
3.16 TRAFFIC, SECURITY AND MUNICIPAL COURT	97
3.17 FIRE AND DISASTER MANAGEMENT	100
COMPONENT H: SPORT AND RECREATION	103
3.18 SPORT AND RECREATION	
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	104
3.19 EXECUTIVE AND COUNCIL	
3.20 STRATEGIC PLANNING AND REGULATORY	
3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)	114
3.22 HUMAN RESOURCE SERVICES	117
3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	123
3.24 LEGAL AND ADMINISTRATION SERVICES	
COMPONENT J: ORGANISATIONAL PERFORMANCE	
CHAPTER 4	
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	
4.2 POLICIES	
4.3 INJURIES, SICKNESS AND SUSPENSIONS	
4.4 PERFORMANCE REWARDS	
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	
4.5 SKILLS DEVELOPMENT AND TRAINING	231
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	
4.6 EMPLOYEE EXPENDITURE	
COMPONENT E: OVERSIGHT REPORTING	
4.7 STAFF ESTABLISHMENT	236
4.8 APPOINTMENT OF SENIOR MANAGERS	
4.9 EMPLOYMENT CONTRACTS	
4.10 PERFORMANCE AGREEMENTS4.11 MINIMUM COMPETENCY REQUIREMENTS	
CHAPTER 5	
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	
5.2 GRANTS	
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	



5.5 CAPITAL EXPENDITURE 25 5.6 SOURCES OF FINANCE 25 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS 25 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW 25 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS 25 5.9 CASH FLOW 25 5.10 BORROWING AND INVESTMENTS 25	52 53 54 56
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	53 54 56
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	54 5 6
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS25 5.9 CASH FLOW	56
5.9 CASH FLOW	-
	. ^
5.10 BORROWING AND INVESTMENTS25	
	57
5.11 PUBLIC PRIVATE PARTNERSHIPS25	
COMPONENT D: OTHER FINANCIAL MATTERS25	
5.12 SUPPLY CHAIN MANAGEMENT25	8
5.13 GRAP COMPLIANCE25	8
CHAPTER 6	
COMPONENT A:_AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2014/1526	
6.1 AUDITOR-GENERAL REPORTS 2014/1526	
COMPONENT B: AUDITOR-GENERAL'S OPINION 2015/1626	
6.2 AUDITOR-GENERAL's REPORT 2015/1626	i1
GLOSSARY	72
APPENDICES	' 5
APPENDIX A - COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL- ATTENDANCE27	76
APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES27	79
APPENDIX C -THIRD TIER ADMINISTRATIVE STRUCTURE28	31
APPENDIX D – FUNCTIONS OF MUNICIPALITY28	32
APPENDIX E – WARD REPORTING28	33
APPENDIX F – WARD INFORMATION28	34
APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/1628	35
APPENDIX H – LONG TERM CONTRACTS28	37
APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE28	39
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS29	90
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE29	
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	14
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG29	95
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES29	
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME29	
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2015/1629	98
	1 9
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/1629	
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/1629 APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS30	00
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16	00 SPHERI
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16	00 SPHERI 01
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16)0 SPHERI)1)2

Chapter 1





CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



In terms of the Local Government Municipality System Act, 32 of 2000, as amended (section 46) and Local Government Municipal Forum Management Act, 56 of 2003 (section 83) requires us to submit the annual report for the financial year starting from 1 July 2015 to 30 June 2016 of the City of Matlosana.

Matlosana closed another eventful and successful fiscal year in 2015/16. This year saw increased interaction between councillors and officials in the interest of a better life for all in Matlosana.

This report is critical in the sense that it gives the community an opportunity to evaluate the performance of the municipality in implementing the integrated development plan and budget allocated projects. This report also shares light in terms of financial and non-financial information relating to key municipal functions.

The year 2015/2016 operational activities affirmed that the leadership of Matlosana municipality maintained their commitment to provide quality service delivery to the people of Matlosana as guided by the freedom charter and the 2011 ANC Local Government Manifesto.

The leadership focused on implementation of the strategic plan and this resulted in successive unqualified audit opinion while fighting and addressing the three main challenges as outlined in the National Development Plan diagnostic report poverty unemployment and inequality.

The municipality also moved swiftly to align its strategy to the objectives of the North-West Provincial Government elected in 2014. The 5 concretes of Bokone Bophirima: Saamtrek Saamwerk – Setsokotsane–reconciliation, healing and renewal, Villages, townships, small dorpies economy- Agriculture, Culture and Tourism sector.

Our Vision

A municipality is to be amongst leading municipalities in 2020 and has to respond to the service delivery obligations in a manner befitting our community.



Key Policy Developments

Our Municipality has vigorously implemented existing policies to ensure maximum impact in its service delivery programs. The Municipality is in the process of adopting the climate change framework to assist in reducing environment problems brought about mining actives.

Key Service Delivery Improvements

The report shows that the Municipality has taken extra ordinary measures to tend to the basic service needs of all residents in the city despite the reduced budget allocation by the National Treasury.

Completed MIG Projects 2015/2016

- Upgrading of water mains in Kanana R3 Million
- ◆ Installation of sewer outfall line in Kanana Extension 14 R610 833
- → R7 Million upgrading mechanical and electrical equipment at sewer pump-stations opening of one (1) new solid waste cell on existing waste disposal site in Klerksdorp - R2.8 million
- → Main storm-water drainage in Kanana R5.7 million
- → Main storm-water drainage in Khuma R4.2 million
- → Main storm-water drainage in Alabama R4.2 million
- Jouberton hot spot high mast light R1 million

Positive Highlights

The report shows that the municipality works in co-operation with Anglo Gold Ashanti and Shiva Uranium holdings and other strategic partners, this partnership has resulted in many positive achievements like the following:

- Construction of four shade nets and installation of irrigation system to support emerging farmers and food security.
- Construction of shade nets at Vaal Reefs funded by Anglo-Gold Ashanti SLP.
- → Building of youth car wash in Jouberton funded by Anglo-Gold Ashanti SLP.
- ◆ NDPG-Construction of the N12 pedestrian bridge.
- Facilitated capacity building workshops and training for SMME's and Co-operatives in partnership with SEDA.
- → Implementation of Food and Beverage Learner ship for Tourism Buddies programme by National Department of Tourism.
- → Implementation of Youth Jobs in Waste Programme by National Department of Environmental Affairs.
- Construction of a new swimming pool in Kanana and Tigane funded by Anglo-Gold Ashanti SLP.

Council also awarded 22 matric excellence awards to students in KOSH area as well as bursaries to financially needy students in the KOSH area to further their studies.



The report also shows how the municipality has collaborated with churches, business, Home Affairs, SAPS and Social Development department to establish a multi sectoral Task Team to mitigate and fight all sorts of crime as part of the five concretes of Bokone Bophirima.

Public Participation

Public Participation is the cornerstone of successful political administration. In Matlosana apart from legislated public participation meetings, other methods of community engagements were established. For instance the mining forum to ensure that social labour plans are implemented as resolved and the municipality also resuscitated the moral regeneration committee to assist it to rally communities around issues that improve their moral rectitude and curb temptation towards social ills. Dikgang tsa Matlosana newspaper was also revived in order to publish programmes and projects of government at all levels. Municipality also has a slot on the local radio station Star FM to communicate with the community on issues of governance and service delivery.

Conclusion

I would like to thank all citizens for their feedback and constant engagement for the past four years. Community participation and ownership of municipal programmes remains the corner stone of democracy and the core of service delivery.

Special thanks to the employees for the hard work and commitment during the year under review.

I extend my gratitude to fellow councillors for their oversight role, our Sister Municipality Dr Kenneth Kaunda District Municipality and the National and Bokone Bophirima Provincial government for their collective undivided support.

CLLR MK KHAUOE EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, which requires that the annual report of the be tabled at the Municipal Council by the Executive Mayor. After which, the Municipal Manager must make the report public and invite the local community to submit representation in respect of issues raised in the report.

Section 121(2) of the Municipal Finance Management Act, Act 56 of 2003 read with MFMA Circular 32 and Circular 63, which give purpose of the Annual Report as:-

- → To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- → to provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and
- → to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

It is for that reason that this report will endeavour to cover the broad view of the City of Matlosana municipal area with information such as socio-economic profile of the area, the achievements gained in delivering services to the community as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation undertaken by the municipality to ensure involvement of the communities of the City of Matlosana in planning as well as in delivery of services that meet their needs in the period under review.

The purpose of the report is further to reflect on the work carried out in 2015/2016 period and to provide feedback on performance against targets to various stakeholders including the community, government departments and other interested parties. The report also ensures that accountability is upheld and the clients of the municipality are informed about the decisions that were taken in this period under review.

During this period, the City of Matlosana municipality ensured that the budget, the IDP and the Service Delivery Budget Implementation Plans are aligned.

The North-West Provincial Department of Local Government invoked section 139(1) (b) of the Constitution of the Republic effective from 07 January 2015 for a minimum period of six months and a maximum of twelve months. The appointment of Mr S Ramagaga as Administrator was further extended beyond the 2015/2016 financial year. The intervention process took over all executive powers of Council except for adoption of the Budget and IDP, and policies and Bylaws.

Furthermore, it was geared at management of the overall administration of the municipality; to stabilise and improve governance and administration within the municipality as well as to improve the financial controls in the municipality; expenditure management; procurement processes; revenue enhancement; debt collection and addressing the Auditor-General's reports, among others. This has brought some improvements in the Finance Directorate despite the cash flow challenges that we continued to experience. However, we continued to honour the payment arrangement we entered into with ESKOM and MIDVAAL.

The City of Matlosana enjoys sound inter sphere and sector relationships, due to mutual working relations among the Executive Mayor, politicians and the top management from the administration component of the municipality.

We are focused on developing consensus around strategic developmental priorities and are committed to challenges of poverty alleviation, local economic development and environmental sustainability.

The following have been achieved during this period under review:-

- Provided 100% of urban households with access to basic water.
- Provided 77% of rural households with access to basic water.
- Provided 99% of urban households with access to basic sanitation.
- Provided 80% of rural households with access to basic sanitation.
- Provided 100% of urban households with access to basic electricity.
- Provided 100% of approved rural settlements with free basic alternative energy (indigents).
- → Provided 100% of registered rural settlements earning less than R8 040 per month with access to free basic services.
- → Provided 100% of urban households with access to basic refuse removal.
- Reduced water distribution losses with 25%.

The municipality continues to instil a sense of conservation of power and water to all employees on the importance of ensuring that all lights and electrical appliances are switched off before knock off time as well as to make sure that all water taps and toilet cisterns are not left running as well as to report defects of same to the maintenance division.

The City of Matlosana operates an ICT services / facilities which include: -

- Financial Systems Support services
- Daily Back Up services
- → Billing
- Payroll
- Expenditure
- Income
- → Data processing: Network support as connectivity, radio links, bandwidth management etc.

Special thanks go to all the officials of the City of Matlosana for their dedication, hard work and commitment, the councillors for their oversight, particularly the Executive Mayor, the Speaker of Council, the Single Whip of Council, the Chairperson of MPAC and finally the Administrator.

TSR NKUMISE

ACTING MUNICIPAL MANAGER



1.2 MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

FUNCTIONS AND OBJECTIVES OF A MUNICIPAL COUNCIL

The primary role of the municipal council is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. See **Appendix D** for list of functions performed by the municipality.

In administering the matters assigned to local government, the municipal council must strive within its capacity to achieve the constitutional objects of local government.

Roles and Responsibilities within Local Government

These constitutional objects are:

- → to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- → to encourage the involvement of communities and community organisations in the matters of local government.

In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal council must meet at least quarterly. The Act also requires the council to annually review:

- the needs of the community;
- its priorities to meet those needs;
- its processes for involving the community;
- tts organisational and delivery mechanisms for meeting the needs of the community; and
- its overall performance in achieving the constitutional objectives outlined above.

The municipal council makes decisions concerning the exercise of all the powers and the performance of all the functions of the municipality. The Constitution confines the performance of certain functions to the municipal council alone. These functions may not be delegated by the council under any circumstances.

Functions which may not be delegated by the municipal council are:

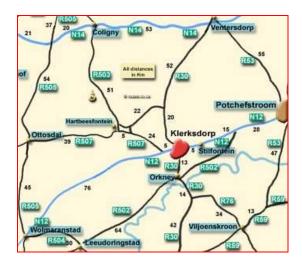
- Passing of by-laws;
- Approval of budgets;
- Imposition of rates and other taxes, levies and duties; and.
- Raising of loans.



ABOUT THE CITY OF MATLOSANA

The Klerksdorp area originally established and developed as a regional service centre between the gold mining areas in the Rand and the diamond mining fields in the Cape in the late 1800s. The City of Matlosana local municipality is located in Dr Kenneth Kaunda District in the North-West Province. It is one of the four local municipalities in this district. The major towns are Klerksdorp, Orkney, Stilfontein and Hartbeesfontein.

The City of Matlosana was previously known as Klerksdorp (KOSH area) and today tends to refer to itself as the "City of People on the Move".



The greater city area of Klerksdorp is situated on the N12 Treasure Corridor (SDI) linking the municipal area with the provinces of Gauteng to the East and the Northern Cape to the south west and it is located between Potchefstroom and Wolmaransstad.

The municipality was classified as a category B municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government: Municipal Structures Act, 1998.

The city is economically viable and has an abundance of government-owned land, which is still in need of bulk infrastructure to stimulate effective development projects.

Our fresh produce market is one of the largest in the country and open to business and partnerships. A capital injection along with reliable business partners will enable it to become the largest fresh produce market in South Africa.

Key investment opportunities include airport developments, retail shopping complex, central business development revitalisation, neighborhood development and rural economic development.

Places worth mentioning include the following:

- Bird Sanctuary (In Orkney).
- Faan Meintjies Nature Reserve.
- Johan Neser Dam.
- Klerksdorp Museum.
- Goudkoppie Heritage Site.
- Ou Dorp Hiking Trail.
- Fresh Produce Market.
- Matlosana Mall.
- Old Cemetery.



The N12 development route was identified by the municipality as a flagship project for golden opportunities in the housing, business, industrial, heritage, mining, tourism and sport and recreation sectors.

The city co-ordinates are: \$\square\$ 26°52'S 26°40'E 26.867°S 26.667°E\$

A CITY WITH A VISION

As an organisation with the primary responsibility of ensuring that the Matlosana area is able to realise its full potential in every aspect, the vision and mission of the City of Matlosana is as follows:



GEOGRAPHIC PROFILE

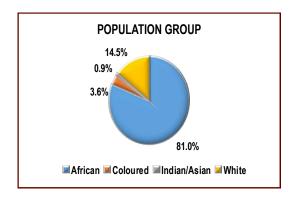
The municipal area of the City of Matlosana covers an area of 3 625km². The main economic sectors are mining, agriculture manufacturing, services, construction and transport.

DEMOGRAPHIC PROFILE

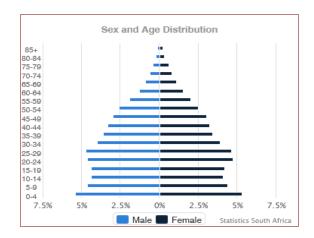
According to estimates based on the population growth rate of SA Statistics (1.04%) and the Matlosana Socio-Economic Report of 2012, the City of Matlosana has a total population of 438 486 people, of whom 103 407 (92%) are urbanised and 35 079 (8%) are rural. (Mining villages form part of the urban areas). The largest population concentrations are in Jouberton (31%), Kanana, Khuma and Tigane, which represent 67% of the total urban population. The City of Matlosana has a population density of 123 persons per km².

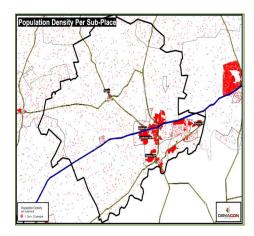
Population Information

POPULATION GROUP	PERCENTAGE
African	81.0%
Coloured	3.6%
Indian/Asian	0.9%
White	14.5%



The population distribution is indicated on the map





Source: Statistics SA

NATURAL RESOURCES		
Major Natural Resource	Relevance to Community	
Vaal River	Supplies Matlosana with water	
Dry land, cultivated and land under irrigation	Agriculture potential	
Dolomite aquifers	Surface mining	

1.3 SERVICE DELIVERY OVERVIEW

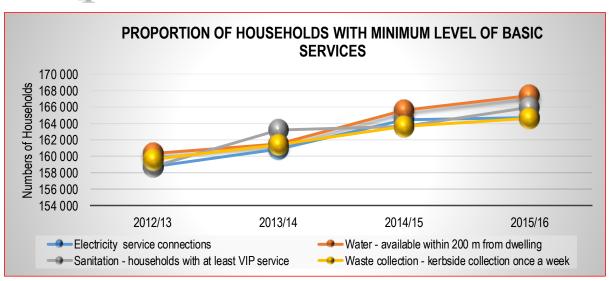
SERVICE DELIVERY INTRODUCTION

The directorate managed to deal among others with the backlog of major water pump-line refurbishments to minimise water losses and to ensure sustainable water supply to the Communities. Bulk Sanitation Service has been provided to unlock new developments in the area and to address backlog maintenance on the Waste Water Treatment Plants to ensure compliance on the sewage effluent and better the lives of the citizens.

Township Establishment were accordingly completed to provide proper proclaimed settlements. Timeous completion of the Pedestrian Bridge safe storm-water drainage and roads upgrades among communities is key to the safety of road users and residents. Implementation of affordable low cost housing to the Community is notable.

Various rural communities have been prioritised to receive access to water supply during the drought period through all possible means, e.g. mobile water tanker and repairs of boreholes generators. Increased basic sanitation provision through the in-house projects and externally funded programme (Rapid Bucket Eradication Program) has been fast tracked.

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2012/13	2013/14	2014/15	2015/16
Electricity service connections	158 774	160 890	164 436	164 694
Water - available within 200 m from dwelling	160 349	161 522	165 578	167 430
Sanitation - households with at least VIP service	158 770	163 237	163 612	165 974
Waste collection - kerbside collection once a week	159 680	161 454	163 612	164 644



COMMENTS ON THE ACCESS TO BASIC SERVICES

Increase in illegal squatters on private land has been a challenge in providing such communities with access to basic services, however interactions with various departments of Government gives promise to a bright achievement against the backlogs sooner than later. Theft of cables at Pump-stations and Waste Water Treatment Plants remains a challenge, which attempts are being made with SAPS to curb the problem.

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The City of Matlosana is dependent on rates and services income as well as grant income, which constituted about a quarter of the municipality's income. The municipality's sustainability is dependent on the effective management of its resources as well as on the community's effective contribution to and participation in the budgeting process as well as by the payment of rates and for services.

Non-payment of rates and for services is a national concern and the City of Matlosana is not immune to the problem. The collection of outstanding debtors remains a challenge. Better planning and control over expenditure and higher efficiencies of staff will enhance service delivery.

The payment of bulk service also remains a challenge as the municipality experience difficulty to honour their commitments.

It should be noted that council was placed under financial administration in terms of Section 139(1) (b) of the Constitution with effect from January 2014.



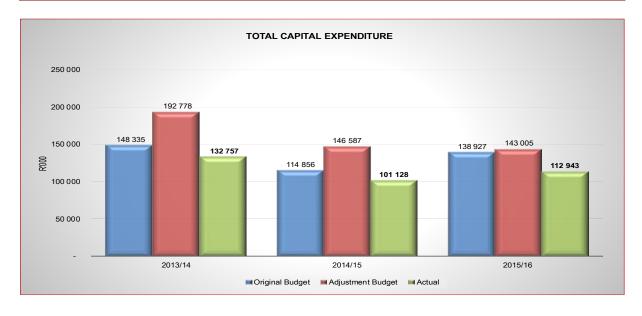
FINANCIAL OVERVIEW: 2014/15				
		R' 000		
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	350 595	350 995	446 706	
Taxes, levies and tariffs	1 800 031	1 751 846	1 309 266	
Other	229 602	260 607	509 144	
Sub Total	2 380 228	2 363 448	2 265 116	
Less: Expenditure	2 743 375	2 714 778	2 573 398	
Net Total*	-363 147	-351 330	-308 282	

OPERATING RATIOS		
Detail	%	
Employee Cost	20%	
Repairs & Maintenance	2%	
Finance Charges & Impairment	20%	

COMMENTS ON OPERATING RATIOS

Employee cost at 20% is below the 30% norm due to the high vacancy rate that exists in the municipality. Repair and Maintenance is far below the norm of 20% mainly as a result of unaffordability. Finance Charges and Impairment at 10% is in line with the national norm.

TOTAL CAPITAL EXPENDITURE: 2013/14 TO 2015/16			
			R'000
Detail	2013/14	2014/15	2015/16
Original Budget	148 335	114 856	138 927
Adjustment Budget	192 778	146 587	143 005
Actual	132 757	101 128	112 943





COMMENTS ON CAPITAL EXPENDITURE

The expenditure on capital was lower than expected. As a result of capital grant money that was withheld from National Treasury, roll-over that were not approved.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The City of Matlosana has embarked on a strategic turn around programme and two workshops were held on 26-27 November 2014 and on 26 January 2015 to address key challenges and to improve its performance.

Strategic priorities that were highlighted during the work sessions include the following:

- Sustainable provision of basic services.
- Excellence and transformation in leadership, management and governance.
- → Local economic development.
- Financial sustainability.
- Democratic governance.

The municipality is in a process of an organisational structural review by the Department Local Government and Human Settlements North-West Province. It is envisaged that the review will be completed by 2016. The organisational structure review will ensure that the municipality continues to deliver on its constitutional mandate.

Senior Manager Positions

The Minister of CoGTA on 17 January 2014 promulgated the Local Government Regulation on the Appointment and Conditions of Service of employment of Senior Managers, (Government Notice 21 in the Government Gazette no 37245).

The Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette no 37245 of 17 January 2014) must be read in conjunction with-

- → Any regulations or guidelines issued in terms of section 120 of the Act, concerning matters listed in section 54A, 56, 57A and 72; and
- → The Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007.

<u>Current Status on Filling of Senior Managers Positions</u>



POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer (CFO)	Vacant
Director: Strategic Planning, Monitoring and Control	Filled
Director: Macro City Planning and Development	Filled
Director: Corporate Services	Vacant
Director: Electrical and Mechanical Services	Vacant
Director: Civil Services and Human Settlements	Vacant
Director: Municipal and Environmental Services	Vacant

The filling of vacant senior management positions was stopped during December 2014 due to the City of Matlosana being placed under administration section 139(1) (b) on 19 December 2014.

During this period the 5 vacant senior manager's positions were again advertised in the national newspapers Careers 24 and Rapport Loopbane.

It was envisaged that the appointment process be concluded by 30 August 2015 with the commencement dates of the new appointees on 1 September 2015.

On 1 September 2015 a letter from the Office of the MEC for Local Government and Human Settlements advised municipalities not to fill the vacant senior management positions until the new council has been inaugurated and therefor the filling of senior management was stopped again.

Extension was granted by the Office of the MEC for Local Government and Human Settlements during the 2015/2016 financial year on regular 3 month basis.

1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT: 2014/15

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

For the previous financial year (2014/15) the City of Matlosana received a qualified audit opinion on the financial statements and an unqualified opinion on the reported performance information.

A report from the Auditor-General for the financial year under review is contained in chapter 6 of this report.



1.7 STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year.	
4	Submit draft 2014/15 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to MM.	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General.	
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase.	
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data.	September - October
12	Municipalities receive and start to address the Auditor-General's comments.	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report.	
14	Audited Annual Report is made public and representation is invited.	
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight Report.	December
17	Oversight Report is made public.	
18	Oversight Report is submitted to relevant provincial councils.	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

COMMENT ON THE ANNUAL REPORT PROCESS

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

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

One of the advantages of compiling an unaudited annual report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An unaudited annual report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget with other priority areas requiring attention.

The annual report of a municipality must be tabled in the municipal council as soon as possible after year end, namely August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective performance management will also result from this change.

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

The above can only occur if the municipality were to set appropriate key performance indicators and performance targets with regard to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report assist the municipal council with information and progress made on service delivery.

Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees and to reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financially and non-financially related matters.

Chapter 2





CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

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

The political and administrative components of Council maintain a sound working relationship by ensuring respect of procedures and protocols. The City Council as legal entity relates to the other spheres of government and organised local government bodies through Intergovernmental Policy Framework. Communities as an interest group in municipal affairs, participates through public participation mechanisms and processes in the decision making systems of Council.

This includes interaction with stakeholders in shaping the performance of the municipality so as to enhance a healthy relationship and minimise conflict.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of Imbizos, the IDP and budget consultations. This ensures that the community participates in identifying needs and in making inputs on the performance of the municipality. This process ensures healthy relations with the community and minimise conflict.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes and laws by which Council operates and is regulated and controlled.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The City of Matlosana is made up of 70 Councillors who are deployed in the various council committees, namely:

- Finance and Debt Normalisation.
- Housing, Land Affairs and Rural Development.
- Corporate Services.
- Community and Health Services.
- Sport, Art and Culture.
- Transversal Issues.
- Public Safety.
- Infrastructure.
- Electrical and Mechanical Engineering.

Economic Growth and Market.

The City Council of Matlosana has established an Audit Committee by merging the Audit and Performance Audit Committees, a Municipal Public Accounts Committee (MPAC), comprising of non-executive councillors with the purpose of commenting and making recommendations on the annual report and the Auditor-General's Report.

An acting Chief Financial Officer has been appointed for Financial Services which forms part of the Administrator's team.

The Oversight Report of the Municipal Public Accounts Committee was published separately in accordance with the Municipal Finance Management Act, No.56 of 2003.

The Executive Mayor, Cllr MK Khauoe appointed his Mayoral Committee Members (MMC's) from amongst the elected councillors, who advise him on municipal affairs as well as other councillors to serve in section 80 committees for a specific purpose. However due to Council being under Administration in terms of section 139 (1) (b) of the constitution of the Republic of South Africa, 108 of 1996 as amended, the Executive Mayor has been divested of the Executive Authority.

POLITICAL STRUCTURE		FUNCTIONS
	EXECUTIVE MAYOR Cllr MK Khauoe	The Executive Mayor identifies the needs of the municipality, reviews and evaluates those needs, in order of priority, recommends to the municipal council strategies, programmes and services; to address priority needs through the Integrated Development Plan and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans and recommends and determines the best way to deliver strategies, programmes and services to the maximum benefit of the community. The Executive Mayor also performs a ceremonial role.
	SPEAKER Cllr LM Kortjas	The Speaker presides at meetings of the Council, maintains order during meetings and ensures that meetings are conducted in accordance with the rules of order of the Council.
	SINGLE WHIP Cllr GS Nkebe	The Single Whip is to ensure that councillors are accountable to the community. That the code of conduct is respected and adhered to by all councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all councillors.

MAYORAL COMMITTEE MEMBERS				
	Cllr MMS Lee MMC Finance and Debt Normalisation Cllr GR Kgosi MMC Economic Growth and Market			
	Cllr ME Mthimkulu MMC Sport, Arts & Culture Cllr TI Thobedi MMC Corporate Services			
	Cllr GC Mbobo MMC Public Safety Cllr LM Mothibedi MMC Housing, Land Affairs and Rural Development			
	Cllr ME Kgaile MMC Transversal Issues Cllr RA Matsepe MMC Infrastructure			
	Cllr NS Mendela MMC Electrical and Mechanical Engineering Cllr PR Pooe MMC Community and Health Services			

COUNCILLORS

Councillors provide a vital link between communities they serve and the City Council. Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively and sustainably within the means of the municipality.

In fulfilling this role councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities and support the achievement by the municipality of its objectives set out in section 19 of the Act, the Code of Conduct in schedule 5 of the Municipal Structures Act (117 of 1998) as amended, was established. Councillors serve a term of five years.



The City of Matlosana comprises 35 ward councillors and 35 PR (proportional representation) councillors. Ward Councillors should be fully involved in all community activities in which the ward committee is engaged and communicate the activities and meeting schedules to the PR councillors. PR means "proportional representation", where voters vote for a political party and not an individual candidate within a party. The party gets the same share of the number of councillors as ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it received. The party decides which members are to fill those councillor positions.

A PR councillor is allocated to a ward and provides support to the ward or the ward committee. He or she handles queries and complaints in consultation with the ward councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the ward councillors without replacing the ward councillor and attends ward committee meetings, constituency meetings and special meetings.

POLITICAL DECISION-MAKING

As a municipality with a Mayoral Executive system all matters for consideration by Council must be considered by the Mayoral Committee for recommendation to Council.

Matters delegated by Council are finalised at the Mayoral Committee and is submitted to Council for cognisance, while matters excluded from delegation by law or not delegated by Council are submitted via the Mayoral Committee to Council for finalisation.

Council resolutions implemented against the number of decisions taken by Council are 100%.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of part 7 section 82 of the Local Government: Municipal Structures Act 117 of 1998, as amended, the municipality must appoint the Municipal Manager, who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Municipal Manager as head of administration is subject to policy directives of the Municipal Council and is responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to local government. In terms of section 50 the Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have relevant and requisite skills, expertise and competencies to perform the duties associated with the posts they each occupy.

The Municipal Manager is also accountable for all the income and expenditure and all assets as well as the discharge of liabilities of the municipality, including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003. Senior managers or directors who report directly to the Municipal Manager are delegated such functions as the Municipal Manager may delegate to them and are responsible for all those matters delegated to them, including financial management as well as discipline and capacitating of officials



within their areas of responsibility, together with compliance with all legislation governing local government, its policies and by-laws.

The Municipal Manager and directors form the senior management core and all directors are accountable to the Municipal Manager for the strategic management and oversight of their departments. All budget expenditure in each directorate is managed by the relevant director to ensure that service delivery matters are handled speedily.

TOP ADMINISTRATIVE STRUCTURE	FUNCTIONS
ACTING MUNICIPAL MANAGER Mr SG Mabuda	As head of administration and accounting officer of the municipality the Municipal Manager is subject to the policy directions of the Municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended and any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under sections 60 to 75 of the Municipal Finance Management Act.
ACTING DIRECTOR: CORPORATE SERVICES Ms LM Ramorola	The director is responsible for establishing and maintaining structures, within the parameters of legality and good governance that will provide administration that is appropriately relevant, timeous and effective for the execution of tasks and that will be transparent as well as to provide an environment that is conducive to stimulating public participation within cooperative governance.
ACTING DIRECTOR: FINANCE Mr CHR Boshoff	The director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management, supply chain management and risk management.
DIRECTOR: STRATEGIC PLANNING, MONITORING AND CONTROL Ms LM Ramorola	The director is responsible for implementing a monitoring and evaluation methodology in line with legislative requirements and for providing leadership and direction in the operation of the performance management system, IDP, risk management, MPAC and internal audit, its monitoring and evaluation, development of the SDBIP, quarterly performance reports and the annual report.
DIRECTOR: MACRO CITY PLANNING AND DEVELOPMENT Mr SG Mabuda	The director is responsible for creating a prosperous city and developing economic strategies that will alleviate poverty and the related socio-economic impacts by stimulating economic growth and development, for operating a fresh produce market that is effective, efficient and economical and which satisfies consumer needs through effective distribution channels, facility provision and operational services.

ACTING DIRECTOR: CIVIL SERVICES & HUMAN SETTLEMENTS Mr ML More	The director is responsible for providing water, roads, storm-water drainage and sanitation through well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure.
ACTING DIRECTOR: ELECTRICAL & MECHANICAL ENGINEERING Mr KD Rannona	The director is responsible for providing an electricity supply service in an effective and efficient manner as well as for providing a cost-effective distribution network and a sustainable electricity supply to all consumers. The director is also responsible for fleet maintenance and mechanical works.
ACTING DIRECTOR: MUNICIPAL & ENVIRONMENTAL SERVICES Mr SG Mabuda	The director is responsible for two divisions of Council namely: Community Services and Public Safety. The Community Services division incorporates the functions of Refuse Removal and Cleansing, Parks and Cemeteries, Libraries, Museum and Sport, Arts and Culture. The Public Safety division incorporates the functions of Law Enforcement and Security, Fire & Rescue Services and Licensing and Registration Service. The director therefore oversees the development and maintenance of a clean and green city. The development and maintenance of cultural heritage and the rendering of a uniform cleansing service to all residents. Ensures effective traffic flow and road safety, minimising the risk of fire and disaster incidents and the provision of motor vehicle licensing, registration and testing to residents.

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

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Promoting Intergovernmental Relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork within the various spheres of government and between government and its agencies as well as other partners in development.

Intergovernmental Relations activities include:

- Planning and budgeting
- Consultations and meetings as well as information sharing sessions
- Dispute resolutions
- Reporting
- Monitoring and evaluation

Service delivery is the core function of the municipality. Co-operative governance is an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery.

Examples of such forums are:

- Municipal Manager's Forum
- Mayor's Forum
- Chief Financial Officer's Forum

The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at provincial and national level.

2.3 INTERGOVERNMENTAL RELATIONS

The primary purpose of the intergovernmental relations is to position the municipality enhance intergovernmental relations by mobilising resources and strategic partnerships which will ensure co-ordination of service delivery by all departments to the citizens of the city thus ensuring a better quality of life to all.

Intergovernmental Relations focuses on the following priority programme areas:

- Co-ordinating and managing all municipal relationships with other spheres of government.
- → To ensure that there is a strong link between departments internally and the two spheres of government (National and Provincial).
- ◆ To facilitate information and knowledge sharing through inter-municipal cooperation.
- → To build managerial and technical capacity (through study tours, exchange programmes, seminars and conferences).
- ◆ To develop project partnerships with other government departments for mutual benefit.
- → To create employment through the public works programmes.
- → To focus on supporting the successful implementation of the strategic priorities of the city by mobilising ongoing support from other spheres of government.
- ◆ To ensure a consistently positive image of the city to all other spheres of government.
- → To ensure that there is monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.
- → Coordinating and aligning all events that involve other spheres of government e.g. national days, Imbizo's, etc.
- Promoting efficient lines of communication and between the municipality and other spheres of government.
- ◆ Ensure efficient relations and sharing models of good practice with other municipalities

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various Intergovernmental Relations activities in the national, provincial and at district level. Municipal officials and Councillors are delegated to serve on the various forums.

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Service delivery is the core function of the municipality. Co-operative governance is an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery. Examples of such forums are:

- Municipal Manager's Forum
- Mayors Forum
- → Chief Financial Officer's Forum

The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at national and provincial level.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The City of Matlosana strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the municipality maintains good co-operative and intergovernmental relations with its provincial authority. Forums attended to includes:

- Municipal Managers Forum
- SALGA Working Groups, NCOP, FFC
- Monitoring and Evaluation Forum
- → Planning and Development Forum
- Disaster Management Forum
- Local Economic Development Forum

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality established various IGR structures such as:

- District Economic Development Forum.
- Mining Forum.
- Rural Economic Development Forum.
- District IDP and PMS Forum.

These forums meet quarterly to discuss planning in consultation with one another so as to solicit financial assistance from the district municipality in funding projects of mutual benefit to municipalities within the district.

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Council interacts with its stakeholders by means of ward committees, budget and Integrated Development Planning (IDP) meetings. Public and stakeholder engagements are an on-going process throughout the year. Public meetings include Council meetings, ward committee meetings and budget and IDP meetings.

The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and in their local languages. This also ensures meaningful and constructive participation. Public meeting schedules are made public through advertised in local newspapers and loud hailing.

The Municipal Public Accounts Committee (MPAC) conduct public discussion as an oversight mechanism through which officials are called before the committee to give testimony on the key issues which are specific problem areas.

Public involvement and media coverage plays a key role where MPAC hold enquiries in a manner which allows public participation on the Annual Report. Submissions are also welcomed from the public and participants use this opportunity to get clarity and comments from responsible role players under the MFMA.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Public Accounts Committee (MPAC) conduct public discussion as an oversight mechanism through which officials are called before the committee to give testimony on the key issues which are specific problem areas.

Public involvement and media coverage plays a key role where MPAC hold enquiries in a manner which allows public participation on the Annual Report. Submissions are also welcomed from the public and participants use this opportunity to get clarity and comments from responsible role players under the MFMA.

It is in view of the above that the Oversight Report is thus clearly distinguished from the Annual Report, which supplies its community with information concerning municipal governance, management and development.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The City of Matlosana values the participation of its community in governance. To this end, the municipality has established ward committees in all 35 wards. Ward committees provide an important vehicle for the municipality to consult with its communities.

In addition to ward committees, the municipality has initiated other mechanisms of deepening and broadening public participation. These include the compilation of a database of all relevant community and stakeholder organisations, informing communities and stakeholders of the municipality's intention to embark on the integrated development planning process as well as media and awareness campaigns, such as:

- Advertisements in local newspapers.
- Notices at prominent locations e.g. pay points.
- Direct mail e.g. leaflets with service bills.
- Ward meetings through ward councillors.
- Radio announcements.

The residents are also engaged through their participation in sectoral and other forums. The municipality's public participation programme is occasionally reinforced by the national and provincial Imbizos and outreach programmes.

As one of its priority areas, the municipality recognises the importance of the previously marginalised sectors, including youth, women, children, aged and people with disabilities. We have established dedicated offices for all of these sectors and have adopted policies to regulate their day-to-day activities. One of the key challenges facing the municipality with regard to sector development is the integration of sector activities with the municipal planning systems.

Section 16 of the MSA, as amended prescribes that "A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance and must for this purpose ..."

One of the main features of the integrated development planning is the involvement of community and stakeholder organisations in the process of developing the IDP. Participation of affected and interested parties is very important to ensure that the IDP addresses the real issues that are experienced by the community.

For purposes of compliance with this legislative requirement, the City of Matlosana has established formal structures for effective participation in the IDP processes. Following is a description of the participatory function of each of the various structures established for the IDP process:

IDP / PMS Representative Forum – constituted of formal representatives of various civic and community organisations as well as other formal structures affected by the development efforts of the municipality.

The role of the IDP Forum is to:

- verify and make additions to data collected through non-formal participatory methods;
- → inform interest groups, communities and organisations of relevant planning activities and their outcomes;
- → analyse issues, determine priorities, negotiate and reach consensus;
- participate in the designing of project proposals and / or in assessing of projects;
- discuss and comment on the draft IDP;
- ensure that annual business plans and budgets are based on and linked to the IDP; and
- monitor performance in implementation of the IDP.

Time arrangements will be made to schedule the workshops at times that will suit the majority of the participants. Representatives will be encouraged to report back to their organisations after every session. The effectiveness of these report-backs will be assessed by feedback from these organisations. A period of 2 weeks will be allowed for feedback. Many of the issues raised by citizens are not of a long-term or strategic nature and would be addressed more specifically in the Service Delivery Budget Implementation Plans (SDBIP's) of specific functional units of the municipality.

In addition to the formal process of representation through the IDP Representative Forum engagement and other council processes, the City of Matlosana consults its communities on an ongoing basis to solicit inputs in as far as the development challenges they face are concerned. To do this in an effective, efficient and structured manner, the City of Matlosana has institutionalised a process of community engagement through the Mayoral Imbizos and outreaches. These are community meetings held at the ward level where direct participation by



communities is encouraged. To complement this process, ward level planning where planning methods are used to gather data are utilised.

Through the implementation of government's Expanded Public Works Programme (EPWP) and other infrastructure development programmes, the municipality will prioritise job creation and skills development for youth and women.

WARD COMMITTEES

The main objective of a ward committee is to enhance participatory democracy in local government. Ward committees are one way in which one can have a say in government decisions. The key purpose of ward committees is to increase the participation of local residents in municipal decision-making as they are the direct link with the relevant council, they are representative of the local ward and they should be involved in matters such as the integrated development plan, the annual municipal budget, council projects and key policies as all these things impact on local people. See **Appendix E**.

Ward committees can identify and initiate projects to improve the lives of the people in the ward. They can support the councillor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward and they can assist with community awareness campaigns on issues such as solid waste, water and sanitation, payment of fees and charges as members know their local communities and what Council needs.

No policy in terms of section 72 – 78 of the Local Government: Municipal Structures Act, No 117 of 1998 has been accepted on ward committees.

PUBLIC MEETINGS

TOWN	DATE	TIME	VENUE	
BUDGET CONSULTATIONS				
Klerksdorp	4 April 2016	16h00	Auditorium	
Hartbeesfontein	11 April 2016	16h00	Town Hall	
Khuma	5 April 2016	16h00	Khuma Hall	
Jouberton	7 April 2016	16h00	Jouberton Hall	
Alabama	11 April 2016	16h00	Alabama Hall	
Kanana	6 April 2016	16h00	Kanana Hall	
Tigane	8 April 2016	14h00	Tigane Hall	
Stilfontein	5 April 2016	16h00	Peoples Hall	
Orkney	6 April 2016	16h00	Library	
IDP REPRESENTATIVE FORUM MEETING				
Representative Forum Meeting	2 December 2015	10:00	Council Chamber	
Representative Forum Meeting	7 April 2016	10:00	Council Chamber	



COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The City of Matlosana established ward committees in all the 35 wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as Imbizos also provide a platform for effective interaction and accountability for Council and the community.

Council benefits positively from the above systems in that consultation is done with the broader community of Matlosana on matters of service delivery.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 54A and 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 of the Local Government: Municipal Systems Act 2000, as amended	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

2.6 RISK MANAGEMENT

MFMA section 62(i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

City of Matlosana has adopted the Public Sector Risk Management Framework as its risk management standard. The Municipality has a risk management framework which guides the process of Risk Management to direct the municipal risk management priorities.



Line management are responsible for identifying, evaluating and managing both risks and opportunities in their responsibility areas, with technical and operational support provided by the risk management unit.

The risk management unit also maintains the consolidated institutional risk register and reports thereon to the Risk Committee which ultimately reports to the Audit Committee.

The Risk Management Committee provides governance oversight over the entire system of risk management and furnishes the Accounting Officer and the Audit Committee with reports of its findings and recommendations. The Audit Committee provides independent oversight over the system of risk management.

Risk Management Committee

City of Matlosana has established a Risk Management Committee in January 2015 to assist the Accounting Officer and the Audit Committee in executing their respective responsibilities concerned with risk management. The committee operates under a charter reviewed and approved by the Audit Committee annually. The Committee comprises external person and selected members of City of Matlosana senior management. As per approved charter, the Committee should 04 times a year. The Committee meetings during the financial year under review were attended as follows:

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
Ms L Mosoetsoa (Chairperson)	External Member*	4	4
Mr R Boshoff	Director: Civil Services	4	2
Ms LM Ramorola	Director SPMC	4	4
Ms J Masilo	Acting Director: Municipal Services	4	3
Mr D Rannona	Acting Director: Electrical Services	4	3

^{*} An external member is a person that is not employed by the City of Matlosana.

2.7 ANTI-CORRUPTION AND FRAUD

The City of Matlosana has entrusted the Risk Management Unit with the responsibility of combating Fraud and Corruption as well as providing educational awareness of in the municipality. The strategy to prevent fraud, corruption and theft has been developed and approved by council together with other policies related to risk management.

The strategy clearly outlines the fundamental areas that each department ought to be vigilant of to ensure that the risk of fraud and corruption is minimised. The policies and strategies were populated and discussed with all employees of council and councillors.

A specialised forensic audit team was appointed by the province to investigate all the allegations of financial misconduct. The assignment has been lengthy and council is still awaiting results in this regard.

During the 2015/16 financial year, cases of corrupt officials and sanctions were issued as consequence management. The Municipality has also been placed under administration section 139(1) (b) to ensure



improvement in accountability and financial management. This is a further indication that the municipality is moving towards being a city of zero tolerance to fraud and corruption.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to support the strategic decision-making of the municipality, thereby ensuring effective and efficient service delivery to its internal and external clients and it also aims to ensure that purchasing and procurement of goods and services are done according to prescribed legislation and the City of Matlosana's Supply Chain Management Policy.

2.9 BY-LAWS

BY-LAWS INTRODUCED DURING 2015/16

BY-LAWS INTRODUCED DURING 2015/16					
NEWLY DEVELOPED	REVISED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF BY-LAWS (YES/NO)	DATES OF PUBLIC PARTICIPATION	BY-LAWS GAZETTED* (YES/NO)	DATE OF PUBLICATION
Spatial Planning and Land use Management by-law (SPLUMA)	New by-law in terms of Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)	Yes		Yes	03 March 2016
	Museum By-law (Draft)	Yes	25 February 2016	No	N/A
	Billboards and Advertising by-law	Yes	25 February 2016	No	N/A

COMMENT ON BY-LAWS

Public participation with regard to a new or amended by-law is dealt with in accordance with section 12(3) (b) of the Local Government: Municipal Systems Act 32 of 2000, as amended and are to be published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

A by-law takes effect when published, or at a future date determined in or in terms of the by-law when published promptly in the Provincial Gazette and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community, in terms of section 13 of the Local Government: Municipal Systems Act 32 of 2000, as amended.

The following list indicates all Council's By-laws with date of promulgation:

BY-LAWS OF THE CITY OF MATLOSANA					
DV LAW	PROVINCIAL	COUNCIL RESOLUTION	07.47110		
BY-LAW	GAZETTE NUMBER	(ADOPTED)	STATUS		
DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS					
Building & Outdoor Advertising By-	FOE7 matica 200	CC 56/2003 dated	Finalisad		
Laws	5957, notice 396	30 September 2003	Finalised		
Drainage and Plumbing By-Laws	5957, notice 396	CC 56/2003 dated	Finalised		
Drainage and Flambing by-Laws	5557, Hotice 556	30 September 2003	Tillalised		
Water Supply By-Laws	5957, notice 396	CC 56/2003 dated	Finalised		
,		30 September 2003	Cinclined.		
SPLUMA	7622, notice 31	ADMIN 365/2015	Finalized		
DIRECTORATE: ELECTRICAL AND N	IECHANICAL ENGINEE				
Electricity By-law	5957, notice 399	CC 56/2003 dated	Finalised		
DIRECTORATE: CORPORATE SERV	ICEC	30 September 2003			
DIRECTORATE: CORPORATE SERVI	ICES	CC 56/2003 dated			
Bursary By-Laws	5957, notice 400	30 September 2003	Finalised		
		CC102/2006 dated			
Rules of Order	6331, notice 315	25 July 2006	Finalised		
DIRECTORATE: MUNICIPAL AND EN	VIRONMENTAL SERVI	•			
Community Services					
•	5057 11 000	CC 56/2003 dated	F: 1: 1		
Cemetery By-Laws	5957, notice 398	30 September 2003	Finalised		
Faan Meintjes Nature Reserve By-	5957, notice 398	CC 56/2003 dated	Finalised		
Laws	5357, Holice 536	30 September 2003	rillaliseu		
Livestock Market By-Laws	5957, notice 398	CC 56/2003 dated	Finalised		
•		30 September 2003	Tillalloca		
PC Pelser Airport: Control and	5957, notice 398	CC 56/2003 dated	Finalised		
Management By-Laws		30 September 2003			
Parks and Gardens By-Laws	5957, notice 398	CC 56/2003 dated 30 September 2003	Finalised		
		CC 56/2003 dated			
Public Amenities By-Laws	5957, notice 398	30 September 2003	Finalised		
0 11 11 10 11 10 11	5057 " 000	CC 56/2003 dated			
Solid Waste and Sanitary By-Laws	5957, notice 398	30 September 2003	Finalised		
Library By-Laws	5957, notice 398	CC 56/2003 dated	Finalicad		
LIDIAIY DY-LAWS	0301, HUUG 030	30 September 2003	Finalised		
Waste management by-laws	7160, 30/8/2013	CC30/2013 dated	Finalised		
		26 March 2013.			
Public Safety					
Fire Services By-Laws	5957, notice 401	CC 56/2003 dated	Finalised		
•		30 September 2003			
Licensing of Public Vehicles By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised		
		30 September 2003			

Parking Ground By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
Parking Meter By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
By-Laws relating to dogs	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
Street and Miscellaneous By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
Traffic By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
Regulating, Control and Supervision of Hawkers By-Laws	5957, notice 401	CC 56/2003 dated 30 September 2003	Finalised				
Health Services							
Keeping of Animals, Birds and Poultry and businesses involved in the keeping of Animals, Birds, Poultry and Pets By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised				
Public Health By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised				
Milk By-Laws	5957, Notice 402	CC 56/2003 dated 30 September 2003	Finalised				
DIRECTORATE: FINANCIAL SERVICE	S						
Customer Care, Credit Control & Debt collection By-Law	7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised				
Rates By-Law	7028, 22/8/2012	CC57/2012 dated 26 June 2012	Finalised				
Tariff By-Law	7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised				
DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT							
Local Economic Development							
Preferential Procurement by-law	5957, notice 403	CC 56/2003 dated 30 September 2003	Finalised				
Fresh Produce Market							
Fresh Produce Market By-Law	5957, notice 397	CC 56/2003 dated 30 September 2003	Finalised				



2.10 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL						
Documents published on the Municipality's website	Yes / No	Publishing Date				
Current annual and adjustments budgets and all budget-related documents	Yes	10-Mar-16				
All current budget-related policies	Yes	8-Jun-16				
The previous annual report (2014/15)	Yes	18-Aug-15				
The annual report (2015/16) to be published	To be published					
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2016/17) and resulting scorecards	Yes	29-Jun-16				
All service delivery agreements (2015/16)	No					
All long-term borrowing contracts (2015/16)	No					
All supply chain management contracts above a prescribed value (give value) for (2015/16)	Yes	25-Nov-15				
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2015/16	No					
Contracts agreed in 2015/16 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	25-Nov-15				
Public-private partnership agreements referred to in section 120 made in (2015/16)	No					
All quarterly reports tabled in the council in terms of section 52 (d) during (2015/16)	Yes	16-Aug-16				

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The City of Matlosana's official website is on the domain www.matlosana.gov.za and this official website is being hosted by the municipality's email and internet service provider at no additional cost.

The municipality's website is managed and updated by the ICT Section and the Communication Section is responsible for sourcing out information from the various directorates to be published on the website.

Curently the municipality has a Facebook page which is managed by the Communication Section and this Facebook page has thus far been an effective tool to update communities on urgent notices.

At the various libraries personal computers has been made available to the public in order for the public to be able to access the Council's web based information.

Municipal Website Compliance

The official website serves as an integral part of the City of Matlosana Local Municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community



participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

Relevant Legislation

The role of the City of Matlosana Local Municipality's website, as platform for information dissemination, participation and disclosure has been significantly catered for in the following pieces of legislation:

- → The Local Government Municipal Systems Act No 32 of 2000 (the Systems Act);
- → The Local Government Municipal Financial Management Act No 56 of 2003 (the MFMA); and
- → The Municipal Property Rates Act No 6 of 2004 the MPRA).

Municipal Systems Act Requirements

Section 21A of the Systems Act states that a municipality must make all relevant documents public in terms of the requirement of various applicable legislation. Section 21B of the Systems Act states that each municipality must establish its own official website.

Municipal Financial Management Act Requirements

Section 75 of the MFMA requires that the municipalities must place <u>key documents</u> and information on their website, including the IDP, annual report, the annual budget, adjustments budgets and budget related documents and policies.

Municipal Property Rates Act Requirements

Section 49(2) of the MPRA states that if the municipality has an official website or another website available to it, the public notice of the valuation roll and the valuation roll must be published on the website.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

In order to give effect to the provisions of the Local Government: Municipal System Act, Act 32 of 2000 as amended, chapter 6 section 42 and chapter 8 section 73(2)(e), every department has been issued with questionnaires for the public to evaluate and comment on the service rendered by the municipality.

Various communities raised their satisfaction in the increase of potholes patching, rehabilitation of road reserves after attending to pipe bursts and water connections installations, improved constant supply of water without interruptions due to poor hydraulic determination to high laying areas. Speedy response in terms of emergencies to service delivery has been generally and highly applauded.



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

INTRODUCTION

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the City of Matlosana, certain issues are set out to be achieved during the financial year.

DEFINITION OF A HOUSEHOLD / HOUSING UNIT

<u>Household</u>: A *household* consists of a person or a group of persons who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling but who do not share food or other essentials were counted as separate households during the 2011 census. For example, people who shared a dwelling but who bought food and ate separately were counted as separate households.

Visitors, both foreign and South African as well as boarders who stayed with a household on census night, 9 October 2011, were counted as part of that household. People who were absent on census night but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre and so on) and returned to the household on Tuesday, 10 October, were counted as part of the household. Livein domestic workers and live-in employees were regarded as separate households (Statistics South Africa, Census 2011).

<u>Housing Unit:</u> A *housing unit* is a unit of accommodation for a household, which may consist of one structure or more than one structure, or may be part of a structure. Examples of each are a house, a group of rondavels and a flat. In informal areas and overcrowded conditions a housing unit may house more than one household.

The types of living quarters classified as housing units are as follows:

- House or brick structure on a separate stand or yard;
- traditional dwelling / hut / structure made of traditional materials;
- flat in block of flats;
- town / cluster / semi-detached house (simplex, duplex, triplex);
- house / flat / room in back yard;
- informal dwelling / shack in back yard or not in back yard, e.g. in an informal / squatter settlement;
- room / flat that is let, not in a back yard but on a shared property;
- caravan or tent; and
- private ship / boat.

(Statistics South Africa, Census 2011)

DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land to which they have no legal claim. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of



informal dwellings. Informal settlements are also referred to as squatter settlements, slums or shanty towns (Statistics South Africa, Census 2011).

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The Constitution requires the Local Government to provide basic services to the local community and the Directorate is the central key to the realisation of this legislative imperative. To progress effectively in the provision of basic services, the following sections in the Directorate need to focus on their strategic roles, Town-planning, Water Section, Sanitation Section, Roads and Storm-water Section as well as Human Settlements (formally known as Housing).

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Water Services Act. Act 108 of 1997, section 5(4) states that in emergency situations, a Water Services Authority (WSA) must take reasonable steps to provide basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

To contribute to the enhanced quality of life and prosperity of all the people in the City of Matlosana by providing better quality water services through a well-established and maintained infrastructure to comply with the Constitutional obligations of the Republic of South Africa.

Overview

Midvaal Water Company is responsible for the treatment of bulk water and the distribution into the bulk infrastructure of the Municipality at a measured unit cost and to ensure water quality compliance up to the bulk infrastructure of the Municipality.

Description of the Activity

City of Matlosana is responsible for the following:

- Monitoring the units of water supply by the bulk service provider.
- → Distribution of water to the consumer through its water infrastructural network which includes piping system, pump-stations and reservoirs.
- Test and replacement of water-meters.
- Water quality testing and post water treatment quality maintenance.
- → On-going assistance to ensure that new developments are expedited and water infrastructure is installed in accordance with standards and specifications of the municipality.
- → Analysis of all aspects of the existing water supply system to pro-actively identify worn out infrastructure and problematic areas.

Continuous management and control to ensure the optimum ability of the water supply infrastructure.

The strategic objectives

- Arrangement is being done to boost the disinfection of water to improve quality up to the consumer point.
- → Render sustainable bulk water service by supplying adequate water of good quality on a continuous basis and at a reasonable cost to the consumer.
- → Provide, operate and maintain the distribution system to meet the needs of all customers and reduce water losses
- → To achieve 96% blue drop status in the 2016/17 financial year.

Challenges

- Delays in reviewing the organogram
- Delays in the procurement of services and materials
- Inadequate budgeting for maintenance
- High electrical cable theft impede sustainable water supply to the communities

All the above contribute to the following:

- Uncontrollable overtime.
- Increased turn-around time on maintenance operations.
- Contribute to the increase to water losses.
- Dissatisfaction in the communities due to the interruptions caused by thefts.

Key issues

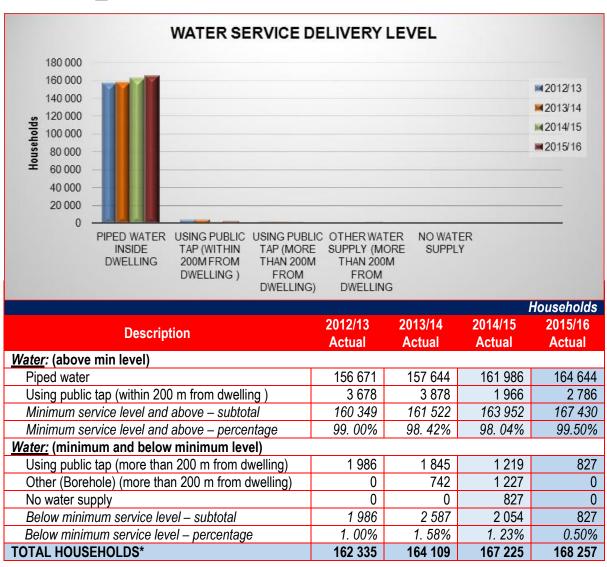
Reduced water distribution losses with 69%

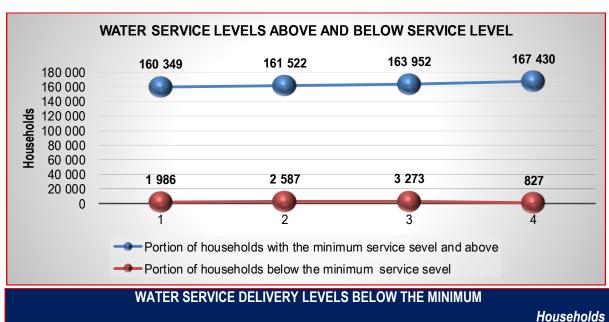
TOTAL USE OF WATER BY SECTOR (KILO LITRE)							
Year	Commercial	Other	Industrial	Domestic	Unaccountable Water Losses		
2012/13	616 153	2 464 611	10 782 674	9 242 292	7 239 795		
2013/14	1 688 829	807 534	89 594	16 236 894	7 174 000		
2014/15	109 150	91 200	2 893 119	15 489 600	12 348 401*		
2015/16	600 000	45 174	11 826	23 652 000	8 541 000		

^{*} The figure includes council's own water usage that is not metered yet but council is currently in process on installing bulk water meters to all municipal buildings and parks.

COMMENT ON WATER USE BY SECTOR

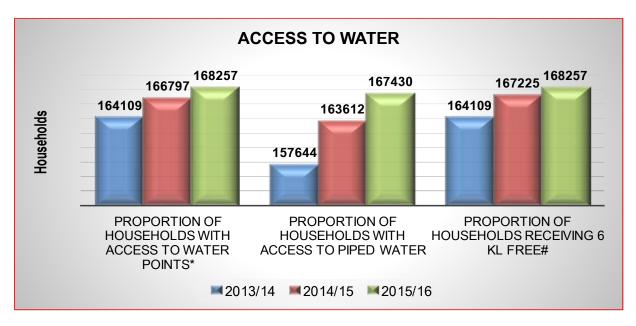
Plans are in place to ensure that sufficient capacity is available for the increased demand arising from the growing townships of Alabama and Kanana. The supply capacity of Kanana has been increased with the completion of the bulk water mains project. The Phase 3A of Alabama Bulk Water Supply has also been completed and Phase 3B will commence in the 2016/17 Financial Year.





Description	2013/14 Actual	2014/15 Actual	Original	2015/16 Adjusted	Actual
Formal Settlements					
Total households	161 522	163 612	163 612	164 644	164 644
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum	0%	0%	0%	0%	0%
service level	0 /0	0 /0	0 /0	0 /0	0 /0
Informal Settlements	•			1	
Total households	2 587	3 613	3 613	3 613	3 613
Households below minimum service level	742	2 054	827	827	827
Proportion of households below minimum service level	29. 00%	56. 85%	22.89%	22.89%	22.89%

ACCESS TO WATER						
Year	Proportion of households receiving 6 kl free					
2012/13	162 335	156 671	162 335			
2013/14	164 109	157 644	164 109			
2014/15	166 797	163 612	167 225			
2015/16	168 257	167 430	168 257			





EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES								
	2014/15		2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 - 3	1	1	1	0	0%			
4 - 6	3	2	2	0	0%			
7 - 9	6	7	6	1	14%			
10 - 12	12	16	15	1	6%			
13 - 15	0	18	15	3	0%			
16 - 18	25	18	7	11	61%			
19 - 20	58	62	61	1	2%			
Total	105	124	107	17	14%			

FINANCIAL PERFORMANCE 2015/16: WATER SERVICES							
					R'000		
2014/15 2015/16							
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget		
Total Operational Revenue	438 851	606 006	582 031	448 232	35%		
Expenditure							
Employees	22 946	23 069	23 915	27 077	-15%		
Repairs and maintenance	8 044	12 847	9 207	6 484	98%		
Other	374 783	508 247	448 287	352 349	44%		
Total Operational Expenditure	405 773	544 163	481 409	385 910	41%		
Net Operational Expenditure	33 078	61 843	100 622	62 322			

COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

A planned number of bulk water lines have been upgraded as per targets on the IDP, namely:

- Upgrading of Water Mains in Kanana
- Alabama Bulk Water Supply Phase 3

The latter being a multiyear project the targets are spread over a two (2) years period.

As per the implementation plan no variation to the original budget was incurred or effected in order to complete any of the prioritized projects.

The Section's overall performance on the day to day refurbishment of the bulk water lines was satisfactorily achieved.

The focused and plans on addressing sustainable water supplies in some affected parts as well as water quality management and security enhancement. The result for the 2014 Blue Drop assessment as received in the current financial year (2015/16) set a benchmark to work on towards improvement

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 139 – 140)

	WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
		2013/14	2014/15	2015/16			2016/17	
Service Objective	Service Indicators	Actual	Actual				Target	
,		Actual	Actual	Original	Adjusted	Actual	raiget	
To improve bulk water supply in Alabama / Manzilpark (Phase 3) to ensure a basic water service (MIG ID 234292)	Bulk water supply improved with a water pressure tower for Alabama / Manzilpark (Phase 3)	Construction tender documents completed R216 993	1.5 km bulk pipeline has been achieved. Project 65% completed. R6 828 340	Elevating one bulk water 2 Mt pressure tower supplied for Alabama / Manzilpark (Phase 3) at a cost of R17 378 850 by June 2016	R14 337 022	Pipe work completed and the reservoir is outstanding. R9 993 080	N/A	
To finalize the payment of the upgrade the water mains in Kanana to improve the supply capacity (MIG ID 213946)	Payment of the water from Midvaal end point in Orkney supplied and the bulk line services to Kanana reservoir finalized	Construction 65% completed (Bud welding completed) R8 733 475	5.5 Km pipeline constructed. Project completed. R13 526 187	Finalizing the payment for the water from Midvaal end point in Orkney supplied and bulk line services (5.5km) to Kanana reservoir installed at a cost of R3 246 734 by September 2015	R3 049 116	Payment finalized R2 434 478	N/A	



NATIONAL KEY PERFORMANCE INDICATOR

See pages 204 - 205 for details.

3.2 WASTE WATER (SANITATION) PROVISION

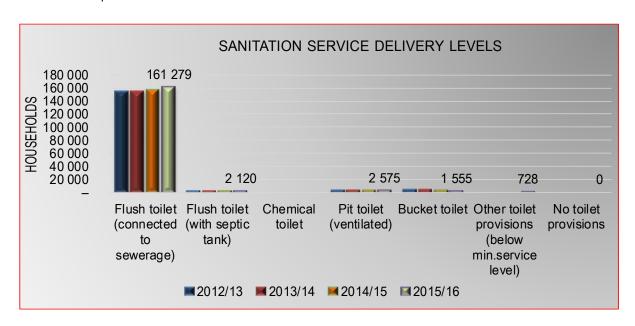
INTRODUCTION TO SANITATION PROVISION

The main objectives of the Sanitation section is to

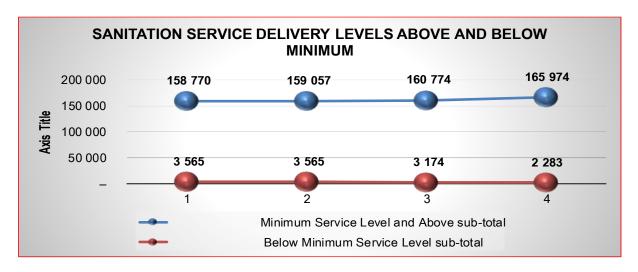
- → provide sanitation services to all the households in the Matlosana area and enforce the relevant By-laws to the residents and the industries;
- → maintain a sewer system network and to plan for a new sewer system service on new developments and settlements in the area;
- → ensure a clean and a compliant sewage effluent from all the four (4) waste water treatment plants in the Matlosana area, therefore curbing the outbreak of waterborne diseases such as Cholera, Typhoid etc.;
- ensure a proper housekeeping and maintenance of all the sewage pump-stations in the jurisdiction of the municipality;
- → fill the vacant and budgeted for posts to ensure sufficient teams for the maintenance of sewer networks and the proper day-to-day running of the four (4) waste water treatment plants and twenty-three (23) sewage pump-stations, thus rendering effective service delivery to the community of the Matlosana area (including its townships); and
- → as part of the Green Drop achievement goal, the Section is currently making improvement on the refurbishment of the Waste-Water Treatment Plants as per the outcome of PAT feedback by DWS (Department: Water and Sanitation).

OBJECTIVE

To be the best municipality in the North-West in terms of Green Drop status achievement which is awarded by the National Department of Water and Sanitation.

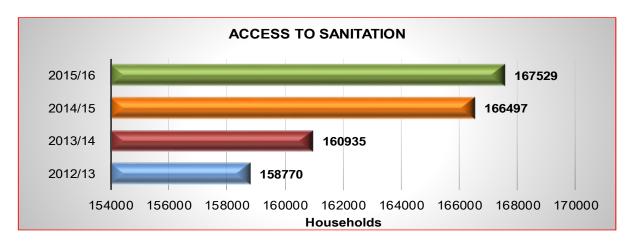


SANITATION SERVICE	SANITATION SERVICE DELIVERY LEVELS						
Description	2012/13 Actual	2013/14 Actual	2014/15 Actual	Households 2015/16 Actual			
Sanitation/Sewerage: (above minimum level)							
Flush toilet (connected to sewerage)	154 075	156 240	159 937	161 279			
Flush toilet (with septic tank)	2 120	2 120	2 120	2 120			
Chemical toilet	0	0	0	0			
Pit toilet (ventilated)	2 575	2 575	2 575	2 575			
Other toilet provisions (above minimum service level)	0	0	0	0			
Minimum service level and above – subtotal	158 770	160 935	164 632	165 974			
Minimum service level and above – percentage	97. 8%	98. 1%	98. 45%	98.64%			
Sanitation/Sewerage: (below minimum level)							
Bucket toilet	3 565	3 174	1 555	1 555			
Other toilet provisions (below minimum service level)	0	0	0	728			
No toilet provisions	0	0	1 038	0			
Below minimum service level – subtotal	3 565	3 174	2 593	2 283			
Below minimum service level – percentage	2. 2%	1. 9%	1. 55%	1.36%			
TOTAL HOUSEHOLDS*	162 335	164 109	167 225	168 257			
* - Total include informal settlements							



SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM							
					louseholds		
Description	2013/14 Actual	2014/15 Actual	Original	2015/19 Adjusted	Actual		
Formal Settlements							
Total households	161 534	163 612	163 612	164 954	164 954		
Households below minimum service level	3 174	80	80	15	15		
Proportion of households below minimum service level	2%	0. 05%	0. 05%	0.01%	0.01%		
Informal Settlements							
Total households	2 575	3 613	3 613	3 303	3 303		
Households below minimum service level	2 575	3 533	3 533	728	728		
Proportion of households below minimum service level	100%	97. 79%	97. 79%	22.04%	22.04%		

ACCESS TO SANITATION				
Year Proportion of households with access to sanitati				
2012/13	158 770			
2013/14	160 935			
2014/15	166 497			
2015/16	167 529			



EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES								
	2014/15		2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 - 3	1	1	1	0	0%			
4 - 6	2	3	2	1	33%			
7 - 9	6	7	7	0	0%			
10 - 12	19	21	18	3	14%			
13 - 15	7	7	5	2	29%			
16 - 18	42	46	40	6	13%			
19 - 20	78	85	85	0	0%			
Total	155	170	158	12	7%			

FINANCIAL PERFORMANCE 2015/16: SANITATION SERVICES									
					R'000				
	2014/15		2015	/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget				
Total Operational Revenue	102 378	164 108	164 108	98 206	-67%				
Expenditure									
Employees	30 752	30 273	26 765	33 770	10%				
Repairs and maintenance	8 585	5 568	7 219	6 671	17%				
Other	77 151	102 100	100 636	61 084	-67%				
Total Operational Expenditure	116 488	137 941	134 620	101 525	-36%				
Net Operational Expenditure	-14 110	26 167	29 488	-3 319					

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 140)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP								
		2013/14	2014/15		2015/16			
Service Objective	Service Indicators	Target	Actual		Target		Target	
,		raiget	Actual	Original	Adjusted	Actual	raiget	
To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure (MIG ID 214927)	Number of km sewer network installed and upgraded	Revised preliminary design report as requested by Human Settlements R333 553	Designing of the construction of sewer network completed R1 507 588	Installing a 1.3km 250mm diameter uPVC main outfall sewer line, 17km 160mm diameter sewer network lines, 5.2 km 110mm diameter house connections and upgrading of existing tralie pump stations for the sewer network in Khuma Proper (North East) at a cost of R17 232 486 by June 2016	R17 092 676	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	R12 021 811	
To install a outfall sewer line in Kanana Ext 14 to relief the existing sewer network (MIG ID 219670)	Km outfall sewer line in Kanana Ext 14 installed	New project	85% of the outfall line installed R3 898 542	Installing of 1 995 m outfall sewer line in Kanana Ext 14 at a cost of R1 630 843 by September 2015	R610 833	Testing, back filling and commissioning done - project completed R956 290	N/A	



COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

Service delivery performance has been notable from the day to day maintenance, operational budget preparation for the coming year, and rendering of the following completed projects and multi-year projects implementation which was successfully made through:

- Upgrading Sewer Network: Khuma Proper (North East) R31,213,387.15
- → Installation of Sewer Outfall line in Kanana Ext 14 R5,000,000.00
- → Upgrading Mechanical & Electrical Equipment at Sewer Pumpstations (Phase 1) –R7,864,636.00

NATIONAL KEY PERFORMANCE INDICATOR

See pages 205 - 206 for details.

3.3 ELECTRICITY PROVISION

INTRODUCTION TO ELECTRICITY PROVISION

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Service delivery in terms of the Constitution of the Republic of South Africa determines the functions of the municipality and in this case specifically electricity supply to the community of the KOSH area.

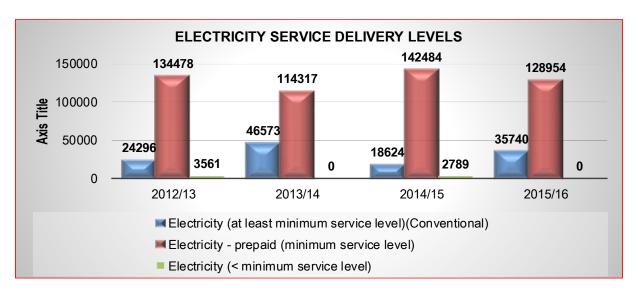
The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana.

Eskom provides electricity to township households in Kanana, Khuma, Tigane and private farms, whilst the City of Matlosana provides electricity to the towns of Klerksdorp, Orkney, Stilfontein and Hartbeesfontein (KOSH) as well as the townships Jouberton, Alabama and Manzilpark.

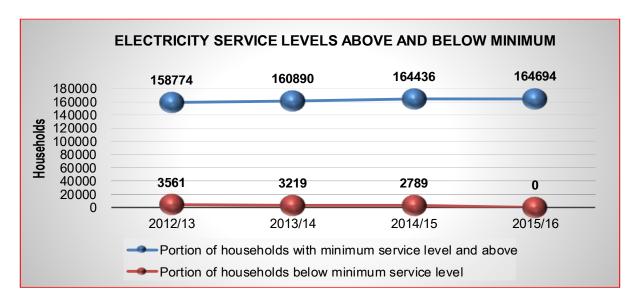
Currently the provision of basic electricity at household level in both licensed areas is done on an annual basis with funding from the Department of Energy (DME) through the Integrated National Electrification Programme (INEP). Areas identified are formulated into projects that are incorporated into municipal IDP. Households in the advantaged areas are connected as and when application is received from individuals or developers. Currently the municipality has provided access to 99 % of households in formalised human settlements.

With reference to the vision and mission of the Directorate Electrical & Mechanical Engineering to ensure a high quality of electrical supply in its licensed area, including uninterrupted electrical supply and proper public lighting (high masts and street lights) the directorate faces the following challenges:

- Ageing infrastructure.
- Limited funding to maintain and improve the existing infrastructure.
- → High electricity losses due to theft and old infrastructure.
- Illegal connections.
- Mushrooming of informal settlements and settlement in private lands.



ELECTRICAL AND MECHANICAL ENGINEE	RING SERVI	CE DELIVER	RY LEVELS				
			Н	ouseholds			
Description	2012/13	2013/14	2014/15	2015/16			
Description	Actual	Actual	Actual	Actual			
Energy: (above minimum level)							
Electricity (at least minimum service level) (Conventional)	24 296	46 573	18 624	35 740			
Electricity - prepaid (minimum service level)	134 478	114 317	142 484	128 954			
Minimum service level and above subtotal	158 774	160 890	164 436	164 694			
Minimum service level and above percentage	97. 8%	98. 0%	98. 33%	98%			
Energy: (below minimum level)							
Electricity (< minimum service level)	3 561	3 219	2 789	3 563			
Below minimum service level subtotal	3 561	3 219	2 789	3 563			
Below minimum service level percentage	2. 2%	2. 0%	1. 67%	2%			
TOTAL HOUSEHOLDS*	162 335	164 109	167 225	168 257			
* - Total include informal settlements							



ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM							
Description	2013/14 Actual	2014/15 Actual	Original	2015/16 Adjusted	Actual		
Formal Settlements							
Total households	162 817	163 612	163 612	164 974	164 974		
Households below minimum service level	2 742	292	292	1 529	1 529		
Proportion of households below minimum service level	2%	0. 18%	0. 18%	0.9%	0.9%		
Informal Settlements							
Total households	1 292	3 613	3 613	3 283	3 283		
Households below minimum service level	477	2 212	2 212	2 034	2 034		
Proportion of households below minimum service level	37. 0%	66. 5%	66. 5%	61.9%	61.9%		

EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING								
	2014/15		2015/	/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 - 3	3	4	2	2	50%			
4 - 6	10	11	10	1	9%			
7 - 9	39	47	41	6	13%			
10 - 12	9	13	9	4	31%			
13 - 15	9	9	9	0	0%			
16 - 18	23	32	24	8	25%			
19 - 20	27	36	34	2	6%			
Total	120	152	129	23	15%			

FINANCIAL PERFORMANCE 2015/16: ELECTRICAL AND MECHANICAL ENGINEERING									
R'000									
	2014/15		201	5/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget				
Total Operational Revenue	565 305	817 337	793 708	685 098	-16%				
Expenditure									
Employees	32 611	34 558	33 978	36 290	6%				
Repairs and maintenance	15 400	18 364	18 364	19 217	4%				
Other	485 024	645 539	641 877	611 537	-5%				
Total Operational Expenditure	533 035	698 461	694 219	667 044	-4%				
Net Operational Expenditure	32 270	118 876	99 489	18 054					

ELECTRICITY LOSSES

Electricity losses at the end of the financial year 2015/2016 stand at 26.78 %. The losses constitute of 18 % of non-technical losses and 8.78 % of technical losses.

This exceeds the acceptable level of losses which stipulates non-technical losses at 12 % and technical losses at 6 %. The City of Matlosana municipality has developed a strategy to reduce the electricity distribution losses to an acceptable level over a period of two years due to financial constraints.

PROPOSED STRATEGIC PLAN TO REDUCE ELECTRICITY DISTRIBUTION LOSSES

The following factors were determined as contribution to the unacceptable electricity distribution losses and strategic plans have been adopted to reduce the electricity losses to an acceptable norm.

1. Technical losses due to the following:

- Overloading of the network
- Ageing infrastructure

Proposed strategy:

Ring-fence capital contribution funds for upgrading purposes.

Progress

The municipality has introduced a bulk contribution tariff calculated at R300 per KVA for new connections over 80 Amp single phase supply. The strategy is to ring-fence the income received for the upgrading of overloaded and ageing infrastructure.

The municipality will implement the identified projects with funds collected during the 2015/16 financial year during the 2016/2017 as cash backed project as required by the National Treasury. The report on project to be implemented will be submitted to NERSA.

2. Non-technical losses due to the following:

Metering

- (a) Losses due to incorrect meter readings (billing).
- (b) Losses due to meter tampering.
- (c) Illegal connections.
- (d) Unaccounted consumption due to non-metering at the following:
 - Municipal buildings.
 - Robots.
 - Streetlights.
 - Sport stadium lights.
 - → Water and sewer treatment plants and pump-stations.

Strategic plan

→ Perform meter auditing on all municipal buildings

- Install meter at municipal buildings not metered
- → Ensure effective reading of billing of above
- Perform audits at all households to determine tampering and correct where tampering is detected

Progress

The municipality has made a significant progress in the implementation of these strategic plans.

→ Auditing of electricity meter tampering

The municipality has appointed a service provider to perform auditing of normal meters in all households.

Replacement of damaged and obsolete pre-paid meters

The municipality has appointed a service provider for replacement of all damaged and obsolete pre-paid meters (magnetic type meters).

Seal and resealing of all meters

The municipality has embarked on a program of sealing all replaced meters and resealed all meters that have been found not sealed, or with broken seals.

Creating of dedicated revenue protection division

The directorate has put a proposal on the organogram to be reviewed by Council to have a revenue protection division created. The division will focus on the following:

- ∞ Disconnection of defaulters.

The municipality has in the meantime put in place a temporary team consisting of two electricians from the Test section and from the Planning section two inspectors and the Tracer – who has taken over the administration of the process. This team implement the control of installation of meters in order to have record of meters issued and installed to reduce corruption of officials.

Installation of anti-vandalism boxes

The municipality is in the process of acquiring anti-vandalism low voltage overhead and surface boxes where split meters will replace normal compact on an on-going basis at identified areas where tampering of electricity is huge.

DEPARTMENTAL (MUNICIPAL) LOSSES

The municipality has been performing an intensive investigation on the sources of unaccounted electricity consumption (which is a cause of electricity losses), with the following results:

Non-metered consumption at municipal buildings

The department has replaced and/or installed meters at all non-metered municipal buildings. A report was submitted to the finance department to start reading consumption at these points of supply in order to ensure accurate consumption and billing.

Streetlights

The municipality currently did not install meters at streetlights sections due to the nature of the streetlight control systems. The municipality is currently implementing a near accurate calculation of the streetlights consumption, which is being supplied to finance department for better estimation and budgeting.

Robots

The municipality currently did not install meters at robot intersections due to the nature of the control systems. The municipality is currently implementing a near accurate calculation of the robot's consumption, which is being supplied to finance department for better estimation and budgeting.

Pump-stations

The municipality has installed meters at all pump-stations. Meter reports of the installed meters have been submitted to finance to be read and properly billed.

COMMENTS ON THE PERFORMANCE OF ELECTRICAL SERVICES OVERALL

The municipality has made provision for the following largest capital projects in provision of electricity:

- ▶ New Matlosana substation in Manzilpark Phase 1 at a cost of R5 000 000 70 % complete.
- → Replacement of old magnetic prepaid meters 60 % complete.
- → Electrification of 132 households in Tigane Extension 5 100 % complete.
- → Electrification of 24 households in Brakspruit CPA 100.

NATIONAL KEY PERFORMANCE INDICATOR

See pages 206 - 207 for details.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 140 - 142)

	ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP									
		2013/14 2014/15 2015/16		2015/16 2		2016/17				
Service Objective	Service Indicators	Target	Actual		Target		Budget			
	marcatoro	Target	Actual	Original	Adjusted	Actual	Duuget			
To install high mast lights to better service delivery (MIG ID 214071)	High mast lights installed in Khuma (Phase 4)	New project	New project	Installing 7 high mast lights in Khuma extensions 8, 9 and 11 (Wards 31) (Phase 4) at a cost of R2 000 000 by June 2016	8 High mast Wards 31 & 35	Erection of steel structures completed. 8 High mast light installed - electrical reticulation and commission R1 445 178	N/A			
To install high mast lights at hot spot areas to better service delivery (MIG ID 214071)	High mast lights installed at hot spot areas in Jouberton (Phase 1)	New project	New project	Installing 4 high mast lights at hot spot areas in Jouberton (Phase 1)(as per programme) at a cost of R1 000 000 by June 2016	6 High mast (Wards 7 & 14)	Erection of 6 steel structures completed R874 919	N/A			
To install high mast lights to better service delivery (MIG ID 231571)	High mast lights installed in Kanana (Phase 7)	New project	New project	Installing 9 high mast lights in Kanana (Phase 7) at a cost of R2 000 000 by June 2016	13 High mast (Wards 20 & 22- 27) R3 000 000	13 High mast lights installed, reticulated and commissioned R2 266 554	N/A			



3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

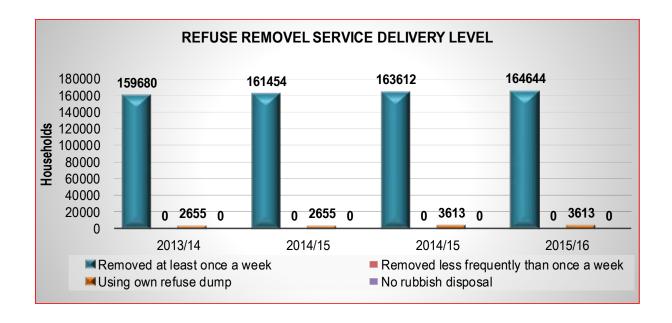
The Cleansing Section's function is to provide an acceptable, affordable and sustainable cleansing service to all the residents of Matlosana.

The service is rendered once a week at residential areas and daily at businesses and hospitals to keep the environment clean. This service is rendered with refuse compaction trucks in both townships and towns. Night soil service is rendered to residential premises in all areas where no waterborne sewerage is available.

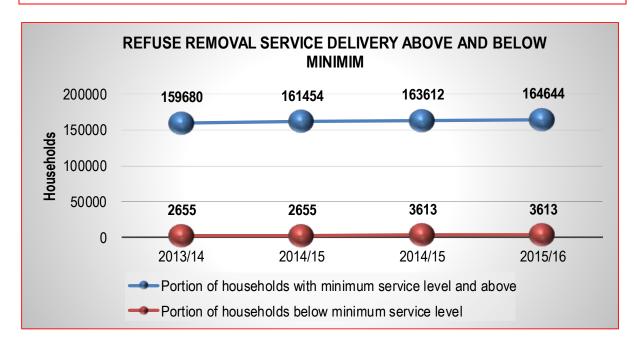
Vacuum service is rendered to residential premises and business where no waterborne sewerage or night soil service is available. This service is rendered with a suction tank.

Strategic Objectives are to:

- render a uniform cleansing service to all communities;
- → 10 refuse trucks leased to render an effective and efficient refuse removal service in the Matlosana area;
- conduct awareness and clean-up campaigns to eliminate illegal dumping in the Matlosana area; and
- obtain funds to purchase refuse containers for newly developed and existing areas within Matlosana.



SOLID WASTE MANAGEME	IN OLIVIOL DEI	LIVEIXI EEVEI		Households
Description	2013/14 Actual	2014/15 Actual	2014/15 Actual	2015/16 Actual
Solid Waste Removal: (Minimum level)				
Removed at least once a week	159 680	161 454	163 612	164 644
Minimum service level and above subtotal	159 680	161 454	163 612	164 644
Minimum service level and above percentage	98.36%	98.4%	97. 84%	97. 84%
Solid Waste Removal: (below min level)				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	2 655	2 655	3 613	3 613
No rubbish disposal	-		-	-
Below minimum service level – subtotal	2 655	2 655	3 613	3 613
Below minimum service level – percentage	1. 64%	1. 6%	2. 16%	2. 2%
TOTAL HOUSEHOLDS*	162 335	164 109	167 225	168 257



SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM Households						
Description	2013/14 Actual	2014/15 Actual	Original	2015/16 Adjusted	Actual	
Formal Settlements						
Total households	161 454	163 612	163612	163612	164 644	
Households below minimum service level	0	0	0	0	0	
Proportion of households below minimum service level	0%	0%	0%	0%	0%	
Informal Settlements						
Total households	2 655	3 613	3 613	3 613	3 613	
Households below minimum service level	2 655	3 613	3 613	3 613	3 613	
Proportion of households below minimum service level	100%	100%	100%	100%	100%	

EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & STREET CLEANSING)								
	2014/15		2015	5/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 - 3	2	2	2	0	0%			
4 - 6	2	3	3	0	0%			
7 - 9	8	8	6	2	25%			
10 - 12	16	24	15	9	38%			
13 - 15	22	36	18	18	50%			
16 - 18	7	11	7	4	36%			
19 - 20	270	328	297	31	9%			
Total	327	412	348	64	16%			



FINANCIAL PERFORMANCE 2015/16: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & STREET CLEANSING)									
(* 1 = 1 = 2 = 1 = 1 = 2 = 1 = 1 = 1 = 1 =									
	2014/15		2015	5/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget				
Total Operational Revenue	152 349	220 268	221 000	135 160	-64%				
Expenditure									
Employees	50 702	52 443	52 487	52 541	0%				
Repairs and maintenance	4 546	4 681	6 046	6 618	9%				
Other	37 120	66 629	38 447	28 230	-36%				
Total Operational Expenditure	92 368	123 753	96 980	87 389	-11%				
Net Operational Expenditure	59 981	96 515	124 020	47 771					

COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

- → Refuse Removal: Provides a uniform refuse removal service to all residential sites, business premises and industrial sites. Different types of systems are in use namely; black plastic bags, 85 litre containers, 240 litre and 1100 litre containers.
- → Street Cleansing: Rendering a service in the CBD areas, small CBD areas within residential areas, taxi ranks and all main roads by means of litter picking. The service is being rendered during normal working hours.
- → Night Soil Removal: Renders a service to residential premises in all areas (proclaimed) where no waterborne sewerage is available.
- Vacuum Service: Renders a service to residential premises, business where no waterborne sewerage or night soil service are available.
- → Public toilets: Management and cleaning of all public toilets was outsourced to small contractors for a period of twelve months without any cost to Council and will be extended for another 36 months. The maintenance remains the responsibility of Council / Cleansing section.
- → Additional Refuse: Rendering a service by removing additional refuse that is dumped illegally on open spaces, corners etc. and it is disposed at the landfill site.
- → Recycling: A tender has been awarded to a company that is operating the regional landfill site for the collection, disposal and marketing of recyclable material for a period of twelve months but it is put on hold until the landfill site is being transferred to Community Services department.

NATIONAL KEY PERFORMANCE INDICATOR

See page 208 for details.



3.5 HUMAN SETTLEMENTS

INTRODUCTION OF HUMAN SETTLEMENTS

The aim of this section is to accelerate housing delivery through efficient and effective human settlement management and quality service delivery as well as through integrated and collective sustainable human settlements programmes. Our priority remains that of eradicating the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs. Our ultimate goal is to house communities by restoring their dignity. Establishment of townships can help in the realisation of housing the community.

Human Settlements have the following objectives:

- → To generate revenue through rental (community residential units) / rental stock.
- → To ensure the implementation of housing programmes.
- → To ensure that all incomplete / blocked housing projects are unblocked and completed.
- To obtain housing accreditation.
- → To improve systems and structures for the management of housing disputes.

Human Settlements have the following goals:

- To ensure that beneficiaries acquire security of tenure.
- → To improve living conditions of households in Matlosana.
- Access to adequate housing.

Human Settlements have the following challenges:

- Deregistration of incorrectly captured tittle deeds.
- → Budget provision of ± 10 million for bulk services in the CRU [Community Residential Unit in Meirinigspark including installation of communal TV/ Dish Point in each block to avoid tenant to tamper with the wall plates.
- Deterioration of Jouberton and Kanana Hostel structure.
- Repairing of houses damaged by 2007 Tsunami within Matlosana.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING							
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements				
2012/13	162 335	158 540	98. 4%				
2013/14	164 109	158 540	96. 6%				
2014/15	167 225	163 612	97. 8%				
2015/16	168 257	164 644	97. 84%				



EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS										
	2014/15 2015/16									
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)					
0 - 3	1	1	1	0	0%					
4 - 6	4	6	5	1	17%					
7 - 9	3	4	3	1	25%					
10 - 12	3	3	3	0	0%					
13 - 15	6	7	5	2	29%					
16 - 18	0	0	0	0	0%					
19 - 20	1	2	1	1	50%					
Total	18	23	18	5	22%					

FINANCIAL PERFORMANCE 2015/16: HUMAN SETTLEMENTS									
					R'000				
	2014/15		2015/ ⁻	16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget				
Total Operational Revenue	1 348	1 860	1 899	2 131	13%				
Expenditure									
Employees	6 735	7 441	7 220	6 241	-19%				
Repairs and maintenance	83	290	290	274	-6%				
Other	2 245	2 940	2 845	2 754	-7%				
Total Operational Expenditure	9 063	10 671	10 355	9 269	-15%				
Net Operational Expenditure	-7 715	-8 811	-8 456	-7 138					

COMMENT ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

It must be noted that our four largest capital projects are implemented and budgeted for by the Provincial Department of Human Settlements.

The Provincial Department of Human Settlements therefore appoints Service Providers (Developers) as this is their prerogative and that the budget for the four largest capital budgets is administered by the Province itself.

Therefore the role of the Municipality is only to identity housing needs and suitable land for human settlement and submits a request to the Province for approval and budgeting.



3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Council accepts that they are responsible for the rendering of services in terms of schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental considerations.

The basic point of departure is that Council will assist, through funds received from National Government; to provide basic services to "poorer" households within the Council's service provision area in this regard no discrimination on any grounds will be allowed.

Only households where the total household income is less than R2 860 per month which is the maximum old age grant equal to two old age pensions may apply for indigent support.

	NUMBER OF HOUSEHOLDS HOUSEHOLDS EARNING LESS THAN R 2 860 PER MONTH											
Year Free Basic Water Free Basic Free Free Basic Free Free Basic Free Free Free Free Free Free Free Fre												
end	Total	Access	%	Access	%	Access	%	Access	%			
2012/13	44 628	44 628	100%	44 628	100%	44 628	100%	44 628	100%			
2013/14	45 448	45 448	100%	45 448	100%	45 448	100%	45 448	100%			
2014/15	38 393	38 393	100%	38 393	100%	38 393	100%	38 393	100%			
2015/16	16 840*	16 840	100%	16 840	100%	16 840	100%	16 840	100%			

NATIONAL KEY PERFORMANCE INDICATOR

See page 209 for details.

COMMENTS ON FREE BASIC SERVICES AND INDIGENT SUPPORT

One of the main objectives of the Council is to ensure the provision of basic services to the community in a sustainable manner. This objective however, is only possible within the financial and administrative capacity of the Council. The Council recognises the fact that the community has a right of access to basic services but the community also has an obligation to settle their monthly service accounts.

The Council also recognises the fact that many of the residents can simply not afford the cost of full service provision and for this reason the Council will endeavour to ensure affordability through the setting of tariffs which will balance the economic viability of continued service delivery and the setting of appropriate service level.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental considerations. None of the residents should fall below the minimum standard of services as is embodied in the Council's Financial Policies.

The Council realises that in certain circumstances and as a result of past policies certain services are available to communities, the cost of which are beyond the financial means of such communities and will through this policy assist those communities within the financial ability of the Council. In each instance the economic cost to render the services shall be calculated in accordance with the Council's Tariff Policy.

Those indigent consumers who do not have access to electricity qualify for alternative energy sources. According to the National Policy for Indigents, paraffin may be utilised as one of the core sources for alternative energy.

These consumers will qualify for a once-off annual supply of a double plate paraffin stove as well as two paraffin lamps. -Simultaneously, they qualify for 20 litres of paraffin per month in order to utilize the supplied items and thereby have access to alternative energy.

FINANCIAL PERFORMANCE 2015/16: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED										
R'I										
Comitoes Delivered	2014/15		2015	0/10	Madana					
Services Delivered	Actual	Budget	Adjustment	Actual	Variance to Budget					
Water	135 521	127 282	74 282	10 947	15%					
Waste- Water (Sanitation)	35 529	32 694	32 494	4 538	14%					
Electricity	43 040	30 027	22 027	11 553	52%					
Waste Management (Solid Waste)	63 758	59 748	29 348	11 357	39%					
Total	277 848	249 750	158 150	38 396	24%					

LEVEL OF INDIGENT SUPPORT

The level of indigent support will be as follows:

- <u>Water</u>:
- <u>Usage</u>: An indigent subsidy amount equal to the value of 6 kl water and thereafter normal tariffs will apply. A water management device will be acquired and inserted in properties qualifying for indigent relief who continually consume above 6 kl over a period of 3 months, so as to reduce the consumption to affordable levels.
- <u>Basic Fees</u>: A subsidy amount equal to the value of the basic fees as determined by the water tariffs.
- → Refuse removal: Removal once (1) a week of 85 or 240-liter container: Free of charge per month
- → Sewerage: Cost of drainage basic charge plus additional sewerage charge per dwelling house: Free of charge per month.
- → Electricity: <u>Usage</u>: A maximum indigent subsidy of 50 kWh free of charge and thereafter normal tariffs will apply and (Should the electricity purchased exceed 450 kWh per month, over a twelve month average up to June of the completed financial year, such tariff shall be changed and the 50kWh free will no longer be allocated).
 - <u>Basic Fees:</u> A subsidy amount equal to the value of the basic fees as determined by the electricity tariffs
- Alternative Energy: Those indigent South African consumers who do not have access to electricity qualify for alternative energy sources. According to the National Policy for Indigents, paraffin may be utilized as one of the core sources for alternative energy. These consumers will qualify for a once-off annual supply of a double plate paraffin stove as well as two paraffin lamps.



Simultaneously, they qualify for 20 litres of paraffin per month in order to utilise the supplied items and thereby have access to alternative energy.

→ Property Rates: 100% of the balance of the rates as subsidised by the Property Rating Policy will be subsidied for indigent residents. (The gross total household income of the residential property may not exceed R2 860 (Two thousand, eight hundred and sixty rand) or the maximum income of the Senior Citizens and Disabled Persons Rates Rebate Scheme, which receives a 100% rates rebate and the applicant may not be the registered owner of more than one property; and must be a full-time occupant of the property.)

COMPONENT B: ROAD TRANSPORT

This component includes Roads and Storm-Water Drainage and Licensing Services.

INTRODUCTION TO ROAD TRANSPORT

The City of Matlosana's primary responsibility is to provide roads infrastructure that is of acceptable level of service. The roads transport infrastructure networks and storm-water systems must be reliable, accessible and affordable. They should be able to facilitate seamless mobility of goods and people and also promote socio-economic development within City of Matlosana. Furthermore the roads should embody a priority in the promotion of vehicular and pedestrian safety.

3.7 ROADS AND STORM-WATER DRAINAGE

INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

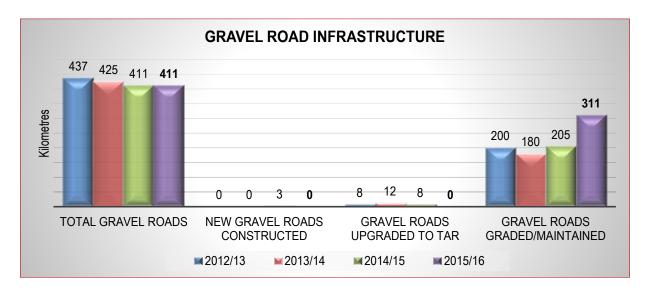
Roads and storm-water section adds value to accessibility in Matlosana through the provision of sustainable roads and storm-water service of high quality.

The section's goals are to:

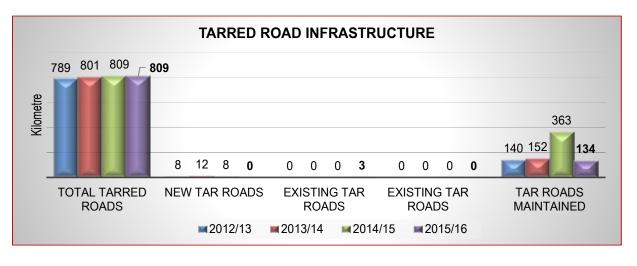
- ensure an effective storm-water and drainage management;
- provide roads and storm-water infrastructure development and maintenance; and
- provide safe roads with good readability characteristics.

Roads and storm-water section is responsible for planning, providing and maintaining the roads and storm-water infrastructure of City of Matlosana to facilitate economic growth and socio-development, promote traffic safety, improve traffic flow and alleviate traffic congestion.

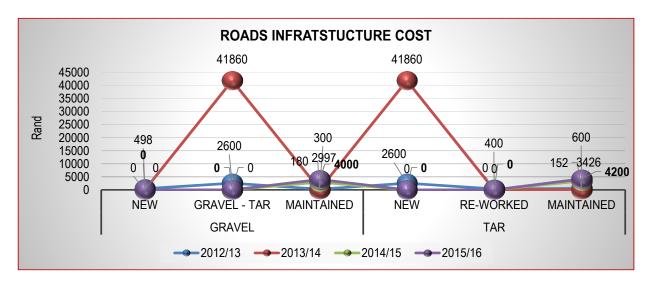
	GRAVEL ROAD INFRASTRUCTURE									
	Kilometers									
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained						
2012/13	437	0	8	200						
2013/14	425	0	12	180						
2014/15	411	3	8	205						
2015/16	411	0	0	311						



TARRED ROAD INFRASTRUCTURE										
					Kilometers					
Year	Existing tar Existing tar Year Total tarred New tar roads roads roads roads re-tarred re-sheeted									
2012/13	789	8.4	0	0	140					
2013/14	801	12	0	0	152					
2014/15	809	8	0	0	363					
2015/16	809	0	3	0	134					

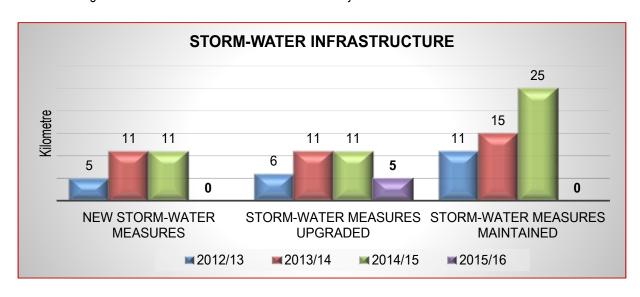


	ROADS COST OF CONSTRUCTION / MAINTENANCE											
	R' 000											
Veer		Gravel			Tar							
Year	New	Gravel - Tar	Maintained	New	Re-worked	Maintained						
2012/13	498	2 600	300	2 600	400	600						
2013/14	0	41 860	180	41 860	0	152						
2014/15	0	0	2 997	0	0	3 426						
2015/16	0	0	4 000	0	0	4 200						

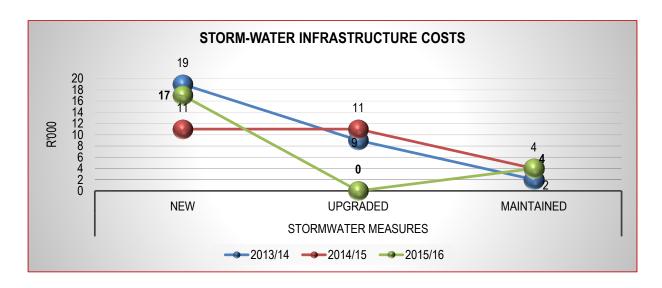


STORM-WATER INFRASTRUCTURE									
	Kilometers								
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained						
2013/14	11	11	15						
2014/15	11	11	25						
2015/16	*	5	0						

^{*} Awaiting finalisation of the Roads Master Plan of the City of Matlosana



STORM-WATER COST OF CONSTRUCTION / MAINTENANCE									
R' (
Year		Storm-Water Measures							
	New	Upgraded	Maintained						
2013/14	19	9	2						
2014/15	11	11	4						
2015/16	17	0	4						



EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE										
	2014/15		2015	/16						
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)					
0 - 3	1	1	0	1	100%					
4 - 6	2	2	2	0	0%					
7 - 9	14	14	9	5	36%					
10 - 12	29	29	28	1	3%					
13 - 15	4	4	2	2	50%					
16 - 18	26	26	22	4	15%					
19 - 20	107	107	102	5	5%					
Total	183	183	165	18	10%					

FINANCIAL PERFOR	FINANCIAL PERFORMANCE 2015/16: ROAD AND STORM-WATER DRAINAGE									
					R'000					
	2014/15		2015	/16						
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget					
Total Operational Revenue	916	3 598	3 030	3 615	0%					
Expenditure										
Employees	33 344	31 120	30 691	36 505	15%					
Repairs and maintenance	8 713	13 746	11 581	10 409	-32%					
Other	118 203	136 511	134 998	240 323	43%					
Total Operational Expenditure	160 260	181 377	177 270	287 237	37%					
Net Operational Expenditure	-159 344	-177 779	-174 240	-283 622						



COMMENTS ON THE PERFORMANCE OF ROADS AND STORM-WATER DRAINAGE OVERALL

The City of Matlosana comprise the towns of Klerksdorp, Orkney, Stilfontein, Hartbeesfontein and the surrounding townships of Jouberton, Alabama, Kanana, Khuma and Tigane. The breakdown of the total network is as follows:

→ Bituminous surface roads→ Gravel roads- 809 km→ 411 km

Greater than 85% of all bituminous surfaced and block paved roads show signs of distress and fatigue. The distress condition is a mild case and can be avoided with preventative and regular maintenance.

This entails that pothole patching, crack sealing and resuscitation of the integrity of the underlying pavement structure be attended to regularly.

The sections identified as fatigued call for the rehabilitation of the road networks affected and would require stringent and adequate budgeting in order to accomplish the mission of their rejuvenation.

The other factor resulting in failure of our roads is the lack of adequate provision of storm-water management systems. A great deal of attention will be required on the storm-water drainage design and maintenance programmes as well as in the design considerations of all roads in the City especially in the township.

To enhance better planning and prioritization of the roads infrastructure, the Municipality intends to undertake a Roads Master Plan study in the 2016/17 Financial Year.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 137 – 139)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP								
		2013/14	2014/15	;	2015/16		2016/17	
Service Objective	Service Indicators	Target	Actual	Target			Budget	
	marcatoro	Target	Actual	Original	Adjusted	Actual	Duaget	
To construct a pedestrian bridge over the N12 between Alabama and Jouberton to ensure public safety	Pedestrian bridge over N12 constructed	New project	Steel and concrete works completed Project 75% completed R13 592 170	Constructing a 102m pedestrian bridge over the N12 between Alabama and Jouberton at a cost of R6 000 000 by December 2015	R9 435 286	102 m Pedestrian bridge over the N12 constructed R4 216 954	N/A	
To open a new solid waste cell in Klerksdorp to ensure a safe disposal environment for the community (MIG ID 222737)	Number of new solid waste cells on existing solid disposal site in Klerksdorp opened	Orkney & Stilfontein landfill sites rehabilitated R361 811	Earthworks 95% completed and subsoil drainage 95% completed R8 771 930	Opening of 1 new solid waste cell on existing solid disposal site in Klerksdorp at a cost of R3 729 470 by December 2015	R2 874 849	Lining of a cell - Project completed R1 657 607	N/A	
To control and direct the flow of storm- water and prevent road erosion	Main storm- water drainage system constructed in Kanana (Phase 1)	New project	New project	Constructing 0.82 km of main storm-water drainage system as per program in Kanana (Phase 1) at a cost of R4 242 230 by June 2016	N/A	Constructing 0.82 km channel. Project completed R5 057 009	N/A	
To upgrade the road system to ensure a better accessibility to the community (MIG ID 234292)	Kilometre of road upgraded at Jabulani street in Jouberton	New project	New project	Upgrading 2.2 km of Jabulani street in Jouberton at a cost of R25 000 000 by June 2016	N/A	Only 0.75km achieved of 2,2km R13 615 300	R12 500 000	



3.8 LICENSING SERVICES

INTRODUCTION TO LICENSING SERVICES

The Provincial Inspectorate from the Office of the MEC for Public Safety and Transport is the one responsible for day to day monitoring and evaluation of the bus operations on the Province together with their traffic inspectorate and local traffic departments and communities are fully supported by the Office of the MEC. The licence department has a link with the provincial department only with the grading of the local examiners operating within their jurisdiction.

Acts and Regulations that governs the Licensing Section

- National Road Traffic Act and Regulations, 1996 (Act no. 93 of 1996)
- → Road Traffic Management Corporation Act (20/1999)
- → Administrative Adjudication of Road Traffic Offences (Act 46 of 1998)
- ◆ North-West Business Act 6 of 1997
- → Public Safety Traffic and Security By Laws approved 5/12/2003
- South African National Standards for the Motor Vehicle Testing Centre (SANS)

Description of the activity

- → Administrative personnel at Licensing assist members of public with information and perform transactions for the Registration of vehicles, licensing/deregistration of vehicles, issuing of permits, application and issuing of motor trade plates, chance of particulars of vehicle/ owner, renewal of driver licenses, application and issuing of business, hawkers licenses and rental of stands and payment on notices/summonses on penalties issued. Application and issuing of certification of roadworthiness certificates of motor vehicles, weighbridge certificates of motor vehicles, application and issuing of learner licenses, application and issuing of driver licenses, application for professional driving permits, application for temporary driving license, collecting of transaction fees for Road Traffic Management Corporation (TRMC).
- Reconciliation of daily taking by the cashiers with supervision of supervisors.
- → Management personnel reconcile the daily takings, votes, request overpayment of money to province/ prodiba (Driving card license facility)/ Road Traffic Management Corporation (RTMC), administrative functions on all activities, reconciliation of daily takings and banking. Reconcile the monthly ledgers with Treasury processing and do the statistics of the division.
- → Inspectors of Licenses perform inspections on businesses, hawkers, motor dealers and issue penalties when needed.
- → Examiners for driving licenses perform eye test for renewal of driver licenses, professional driving permits and when applicants applies to be tested for learner licenses, driving licenses. Examiners for driving licenses testing members of public for learner and driver licenses.
- → Examiners for testing of vehicles inspected the vehicles for roadworthiness and weigh vehicles on the weigh bridge scale.

Challenges

→ Since a pay point was opened at the Post Office in April 2014 for the renewal of licenses, the Revenue and statistics on renewal of vehicle licenses and the Road Traffic Management drastically decreased. A number of 14160 licenses was lesser renewed at the Licensing Department in 2014/2015 financial year and an



additional 2209 was lesser renewed for the 2015/2016 financial year. Licensing services should be promoted but not before additional cashiers and supervisors are budget for and appointed to ensure smooth service delivery and prevention of public members to flog to Post Office for renewals. A fast pay point for renewals should be considered.

- → The security at the Licensing Departments is a big challenge. Rota doors are needed for more security as well as DSTV cameras. Security measurements for the safety of workers as well as members of public are needed. As there are windows and glass doors being a risk, burglar proofing is urgent needed.
- → The shortage of staff is a serious problem as the Examiners and Management Representative of Provincial department will leave on 1 September 2016 and then the service delivery at the driving sections will became a problem as a backlog on tests will be experience shortly after they left.
- → The shortage on cashiers and supervisors influence the service delivery. Public members flog to the Post Office to pay the licensing there, resulting into the loss of revenue.

SERVICE STATISTICS FOR LICENSING SERVICES

DESCRIPTION	2013/14	2014/15	2015/16	COST (R'000)
Registration of vehicles	40 361	38 673	36 894	4 570
Licensing / renewal of vehicle licences	99 707	85 547	83 338	53 330
Issue of permits	6 056	5 706	6 684	641
Application and renewal of motor trade plates	233	202	243	161
Application and issuing of business licences, hawkers' licences and stands	611	501	441	449
Application and issue of certification of roadworthiness certificates of motor vehicles	3 584	1 750	2 040	431
Weigh bridge certificate of vehicles	1 262	1 989	2 408	191
Application and issue of learner's licences	12 640	13 106	15246	1 917
Application and issue of driver's licences	7 789	7 602	9 460	2 223
Application for professional driving permits	3 191	3 296	3 123	393
Renewal of drivers' licences	12 459	12 750	12 482	2 771
Issuing of temporary drivers' licences	6 844	7 206	13 018	437
Road Traffic Management Corporation	91 457	75 603	72 785	2 620
20% Commission on Registration and License retained				10 370

TOTAL of income directly for Council from Licensing Services is R19 186 719



EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES						
	2014/15	2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
0 - 3	1	1	1	0	0%	
4 - 6	1	1	1	0	0%	
7 - 9	21	43	21	22	51%	
10 - 12	17	40	17	23	58%	
13 - 15	7	9	7	2	22%	
16 - 18	3	3	3	0	0%	
19 - 20	5	6	4	2	33%	
Total	55	103	54	49	48%	

FINANCIAL PERFORMANCE 2015/16: LICENSING SERVICES						
					R'000	
	2014/15 2015/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget	
Total Operational Revenue	65 818	77 290	74 281	68 211	-13%	
Expenditure						
Employees	14 392	15 924	15 809	15 343	-4%	
Repairs and maintenance	17	342	287	234	-46%	
Other	50 955	62 691	62 422	53 040	-18%	
Total Operational Expenditure	65 364	78 957	78 518	68 617	-15%	
Net Operational Expenditure	454	-1 667	-4 237	-406		

COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES

- → The Examiners of Provincial department still assist at Klerksdorp Driving Testing Centre with the test of driver licenses, renewal of driving licenses and Professional Driving Permits.
- → There is no queuing and fighting of members of public in the rows at Klerksdorp, Orkney, Stilfontein and Hartbeesfontein in the mornings.
- → The two roller doors that was fixed at Klerksdorp will enable service delivery of the Test Station was not active for a long period but only after the equipment are repaired.



COMPONENT C: PLANNING AND DEVELOPMENT

This component includes town-planning, building construction, local economic development and the fresh produce market.

3.9 PLANNING

INTRODUCTION TO TOWN-PLANNING

Main elements of planning strategies

Land Use Mangement

- → Land Use Management addresses past spatial and regulatory imbalances; to promote greater consistency
 and uniformity in the application procedures and decision making by authorities responsible for land use
 decisions and development applications.
- → Funds are not available to complete the Review of the Land Use Scheme.

Land Development Management

- → Land Development Management means the control and regulation of erection of buildings or structures on land or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme.
- → The City of Matlosana SDF, 2009 is used to guide development. In terms of the SPLUMA, 2013 plays an important role in motivating land use and development application in Matlosana.
- Suitable land for township establishment at Khuma due to Geological constraints.

Achievements

- Satial Development Framework (SDF) awaiting Council's approval.
- → Implementation of SPLUMA (Spatial Planning Land Use Management Amendment): 70% completed.
- → Implementation of computerised building plan administration through the Orbit system: 20% completed.

Challenges:

- Travelling allowance of the Assistant Town Planner.
- Shortage of suitable land for township establishment at Khuma due to geological contraints.

Service Delivery Priorities And Impact

- Township establishment addressed the housing backlog/ informal settlements.
- ◆ Land use management issued notices and penalties to transgrassors of KLUMS, 2005 (illegal land uses).
- → Land development management issued notices for illegal building to minimise illegal developments.



SERVICE DELIVERY PRIORITIES	IMPACT	MEASURES TAKEN TO IMPROVE PERFORMANCE	EFFICIENCIES ACHIEVED
Township Establishment	Addressed the housing backlog/ informal settlements	Project were listed in IDP and budget requests were made however, no approval project were funded	None

No capital projects were funded by Council through the IDP process for the 2015/16 financial year.

SERVICE STATISTICS FOR PLANNING

Development Planning and Building Control

DETAIL	2013/14	2014/15	2015/16
Detail of building plans			
 Number of building plans approved (excluding low cost housing) 	1 197	945	804
Value of building plans approved	R37 865 200	R1 235 160 700	R530 898 500
Number of applications received for			
→ Township establishment	3	4	5
→ Rezoning	48	62	79
→ Special consent	11	14	15

Building Construction

DETAIL	2013/14	2014/15	2015/16
DETAIL	R	R	R
Value of work completed → Maintenance on buildings → Capital work	2 979 796	1 725 398	304 732
 ⇔ Departmental ⇔ Consultants ⇔ MIG ⇔ Arts and Culture Grant 	0 0 2 730 829 890 601	0 0 2 174 780	0 0 0 0
 → Labour and vehicle cost in respect of maintenance not captured 	3 706 109	4 218 474	4 417 467

APPLICATIONS FOR LAND USE DEVELOPMENT							
Detail		sation of ships	Rezo	ning	Built Environment		
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	
Planning application received	4	5	62	79	942	874	
Determination made in year of receipt	0	0	46	68	945	804	
Determination made in following year	0	0	0	0	0	0	
Applications withdrawn	0	4	0	0	0	0	
Applications outstanding at year end	4	1	16	11	3	74	



EMPLOYEE INFORMATION

EMPLOYEES	EMPLOYEES: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU						
	2014/15	2015/16					
2014/15	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	1	1	1	0	0%		
4 - 6	7	12	12	0	0%		
7 - 9	15	17	16	1	6%		
10 - 12	12	10	9	1	10%		
13 - 15	9	10	9	1	10%		
16 - 18	11	13	12	1	8%		
19 - 20	0	1	1	0	0%		
Total	55	64	60	4	6%		

FINANCIAL PERFORMANCE 2015/16: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU							
R'000							
	2014/15 2015/16						
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget		
Total Operational Revenue	1 136	5 564	5 353	1 174	-374%		
Expenditure							
Employees	12 459	19 387	18 466	12 954	-50%		
Repairs and maintenance	279	1 226	1 266	955	-28%		
Other	769	8 721	11 813	1 980	-340%		
Total Operational Expenditure	13 507	29 334	31 545	15 889	-85%		
Net Operational Expenditure	-12 371	-23 770	-26 192	-14 715			

COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Township Establishment:

- Alabama Extension 5
- → Khuma
- Jouberton

Only three projects were listed for 2016/17 IDP but were unfunded. Alabama Extension 5 is priority due to the high Court Order issued for addressing illegal occupation of Private Land (Jacaranda) and Municipal Land (Skierlik).

Owing to the fact that the projects are unfunded it is impossible to explain the variation from budget for net operating and capital expenditure.



3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING COMMUNICATIONS AND MARKETING)

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) is a locally driven process designed to identify, harness and utilise resources to stimulate the local economy and create new job opportunities. LED is not once off specific action or programme, rather it is the sum total of the individual contributions of a broad spectrum of community.

In aligning the National Government initiatives on Economic Development policies, i.e. New Growth Path and National Development Plan with our local development economic strategy, the Directorate seeks to create an enabling environment conducive to the development of SMME, Co-operatives, Youth and Broad-Based Black Economic Empowerment Enterprises and provide a broad range of business development support services by working with enterprise support organisations in both the financial and non-financial support spheres.

Local Economic Development is seen as one of the most important ways of building a diverse economic base, developing skilful & inclusive economies develop enterprises, economic governance and infrastructure.

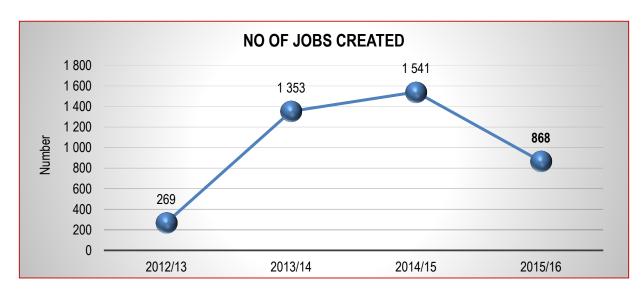
Tourism plays an important role in the development of local economy, creation of employment, small business development and income generation. It implies a proactive approach by tourism industry partners to develop, market the tourism industry in a responsible manner, so as to create competitive advantage. Tourism encourages local communities and businesses to respect, invest in and develop local cultures and protect it from over commercialisation and exploitation.

LOCAL ECONOMIC ACTIVITY BY SECTOR					
Sector	2013/14	2014/15	2015/16		
Agriculture, forestry and fishing	114	100	35		
Wholesale and retail trade	220	610	52		
Infrastructure services	1 133	931	868		
Total	1 467	1 641	955		

COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS					
Year	EPWP Projects	Jobs created through EPWP projects			
i eai	No	No			
2012/13	15	1 010			
2013/14	0	238			
2014/15	14	0			
2015/16	12	868			
*- Extended Public Works Programme					

JOBS CREATED DURING 2015/16 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)						
Year	No of jobs created	No odd jobs lost / displaced by other initiatives	No of net total jobs created in year	Method of validating jobs created/lost		
2012/13	269	0	269	Loco inspection		
2013/14	1 353	0	1 353	Loco inspection		
2014/15	1 541	0	1 541	Loco inspection		
2015/16	868	0	868	Loco inspection		



The continual implementation of the National Government programme on EPWP is generating work opportunities on short term basis. The completion of the Matlosana Mall has created short term jobs during the construction phase and long term employment after the completion of the Mall.

It is envisaged that the following LED anchor projects will create sustainable long term employment once they are implemented and completed:

- → Enterprise Development Centre (EDC).
- Meat Processing Plant.
- Neighbourhood Development Partnership Grant (Township Renewal Project).
- Airport Development.
- Goudkoppie Heritage Site.
- → Kabi Solar Alternative Energy.
- Agri Park.



EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT						
	2014/15		2015/	/16		
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
0 - 3	2	2	2	0	0%	
4 - 6	5	7	5	2	29%	
7 - 9	3	4	3	1	25%	
10 - 12	3	5	3	2	40%	
13 - 15	0	0	0	0	0%	
16 - 18	1	1	1	0	0%	
19 - 20	1	1	1	0	0%	
Total	15	20	15	5	25%	

FINANCIAL PERFORMANCE 2015/16: LOCAL ECONOMIC DEVELOPMENT AND FRESH PRODUCE MARKET						
R'000						
2014/15 2015/16						
Details	etails Actual Original Adjustment Actual Variand Budget Budget Budget Budget to Budget					
Total Operational Revenue	17 576	21 701	18 701	18 204	0.2	
Expenditure						
Employees	13 500	14 940	14 879	13 489	0.1	
Repairs and maintenance	1 805	1 980	2 330	2 080	(0.0)	
Other	8 766	12 102	10 857	10 363	0.2	
Total Operational Expenditure 24 071 29 022 28 066 25 932 0.1						
Net Operational Expenditure	-6 495	-7 321	-9 365	-7 728		

COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated funding for the following developments:

- → Rural Economic Development.
- Construction of four shade nets and installation of irrigation system to support emerging farmers and food security.
- Construction of shade nets at Vaal Reefs funded by Anglo-Gold Ashanti SLP.
- → Building of youth car wash in Jouberton funded by Anglo-Gold Ashanti SLP.
- NDPG-Construction of the N12 pedestrian bridge.
- → Completion of Matlosana Mall and extension of Flamwood Walk.

Training

- → Facilitated capacity building workshops and training for SMME's and Co-operatives in partnership with SEDA.
- → Implementation of Food and Beverage Learner ship for Tourism Buddies programme by National Department of Tourism.
- → Implementation of Youth Jobs in Waste Programme by National Department of Environmental Affairs.

NATIONAL KEY PERFORMANCE INDICATOR

See page 210 for details.

INTRODUCTION TO COMMUNICATION AND MARKETING

Communications and Marketing promotes democracy and encourages citizens to play a more effective role in how they are governed. The roles and functions of Communications and Marketing support and promote the Municipality's Vision and Mission.

Guided by the Municipal Systems Act 32 of 2000, the Communication and Marketing section seeks to address the communication needs of the municipality by ensuring that information dissemination is encouraged and promoted. Highlight the significance of communicating and promoting government programmes to communities in and around Matlosana, District, Province, National and international stakeholders.

Strategic Objective

- Develop a coherent and co-ordinated approach of communication and Marketing.
- Enhance and promote the image of the municipality.
- Promote customer care and batho pele
- Promote transparency within the municipality.
- To have a proactive and responsive communication approach.
- Maintain good relations with the media.
- Promote programmes and projects of Council.
- Empower communities with information.
- Plan and coordinate council events.
- Build good relations with stakeholders.
- Ensure compliance to Communication and Marketing Policies.

<u>Description of Communication and Marketing structure</u>

- Media Relations.
- Communication Research.
- Marketing and branding.
- Outdoor advertising.
- Outreach and event co-ordination.

Communication and Marketing mechanisms

- Outreach programmes
- Stakeholders meetings
- Electronic and print Media
- Posters, broachers, banners and fliers
- Media information sessions
- Outdoor advertising
- Loud hailing
- Municipal meetings
- Municipal website and newsletters
- → Local Communicators Forum

SERVICE STATISTICS

NEWSLETTERS	DISTRIBUTION		
→ Internal newsletters	→ 5 electronic newsletter		
 External newsletters 	2 external newsletters		

Adopted Policies

- Communication strategy
- Media relation policy
- Corporate identity/branding policy
- Outdoor Advertising policy and bylaws

3.11 FRESH PRODUCE MARKET

INTRODUCTION TO THE FRESH PRODUCE MARKET

The Matlosana National Fresh Produce Market (MNFPM) is the property of the City of Matlosana, established in 1980. The MNFPM is amongst the 18 National Fresh Produce Markets in South Africa and is currenlty number 8 in terms of ranking of markets in South Africa.

The MNFPM has several stakeholders namely:

- Customers- community of Matlosana and surrounding towns, as well as customers as far as Botswana and Kimberly;
- → Market agents- which sell products on behalf of farmers on the market floor;
- → Farmers- whom supply the produce to be sold at the market; and
- Council employees-they provide a management and administrative function to the market.

Job creation:

- → Market Agents The MNFPM has five (5) market agents trading from the floor with a staff compliment of 120 permanent employees between them;
- → Porters The MNFPM currently have 110 porters operating on our floor. They represent the informal / indirect employement as a spin-off from the market activities; and

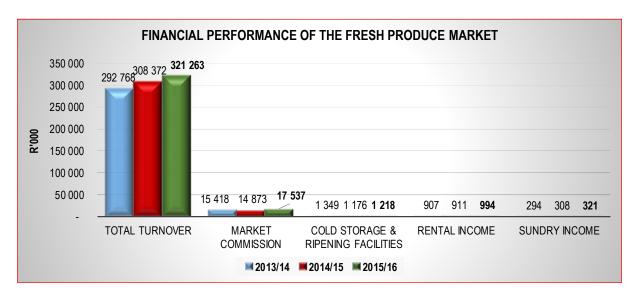


→ SMME- Emerging and Small scale Farmers - The MNFPM currently has a program of assisting small scale farmers within the Matlosana area. They are provided with transport to enable them to deliver their produce to the market.

SERVICE STATISTICS OF THE FRESH PRODUCE MARKET

INDICATOR	2013/14	2014/15	2015/16
INDICATOR	R	R	R
Market Commission	15 418 449	14 873 374	17 537 969
Cold Storage & Ripening Facilities	1 349 162	1 176 176	1 218 461
Rental Income	907 020	910 766	993 508
Sundry Income*	294 264	308 327	320 917

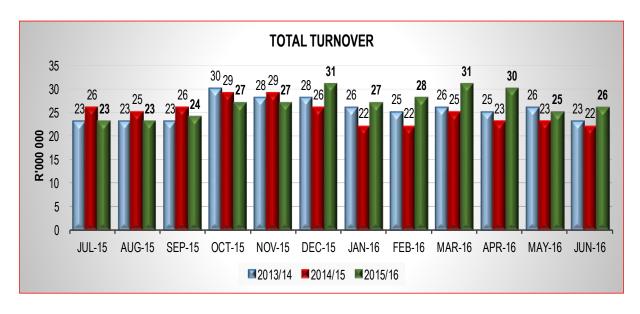
^{*}Sundry income includes trolley rental, surplus cash, commission on levies, selling transactions, buyer card and interest bank.



Total turnover

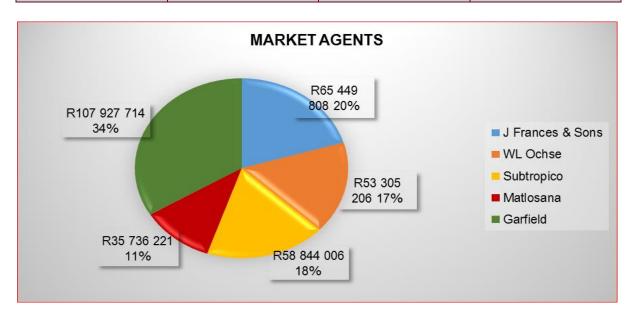
MONTH	2013/14	2014/15	2015/16	DIFFERENCE
MONTH	R	R	R	R
July 2015	23 860 983	25 598 301	22 952 766	-2 645 535
August 2015	23 823 630	24 909 881	21 781 966	-3 127 915
September 2015	23 777 333	26 019 355	23 456 259	-2 563 096
October 2015	30 113 352	28 988 195	26 490 443	-2 497 752
November 2015	28 440 869	28 669 982	27 381 652	-1 288 330
December 2015	27 881 261	25 819 056	31 169 074	5 350 018
January 2016	25 619 828	22 168 911	27 183 514	5 014 603
February 2016	24 819 721	22 105 687	28 259 901	6 154 214
March 2016	26 257 733	25 430 467	31 244 238	5 813 771
April 2016	24 526 085	23 442 561	30 288 611	6 846 050
May 2016	26 254 591	22 720 182	24 843 786	2 123 604
June 2016	22 996 758	21 596 025	26 210 950	4 614 925
TOTAL	308 372 145	297 468 602	321 263 160	23 794 557

The total turnover for 2015/16 was R321 263 160.



Market Agents

NAME	GROSS SALES	GROSS SALES	FLOOR SPACE ACCORDING TO GROSS SALES		
	R	%	m²		
J Frances & Sons	65 449 808	20.37	2 121		
WL Ochse	53 305 206	16.59	3 040		
Subtropico	58 844 006	18.32	2 460		
Matlosana	35 736 221	11.12	177		
Garfield	107 927 714	33.59	4 785		
TOTAL	321 262 954	100	12 581		





EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET							
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	1	1	0	1	100%		
4 - 6	4	5	4	1	20%		
7 - 9	0	0	0	0	0%		
10 - 12	10	11	10	1	9%		
13 - 15	8	9	8	1	0%		
16 - 18	4	4	2	2	50%		
19 - 20	13	14	13	1	7%		
Total	40	44	37	7	16%		

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Out of the total of 18 National Fresh Produce Markets in South Africa, Klerksdorp National Fresh Produce Market was rated 8th position with a total turnover of R321 263 160 in June 2016.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries, museums, arts and culture and cemeteries.

3.12 LIBRARIES, MUSEUMS, ARTS AND CULTURE

CORE FUNCTIONS OF LIBRARIES AND MUSEUMS

- → To implement sustainable arts, culture and recreation programs contributing to safe and healthy communities in the City of Matlosana.
- → To ensure that arts and culture are accessible to all communities, to promote talent in the City of Matlosana.
- → To provide opportunity to access information and knowledge through Libraries and Museums.
- ◆ To promote the culture of reading, to increase the literacy rates and life-long learning.
- → To manage and preserve our heritage resources and collections to benefit all communities.
- → To promote and create conditions for the development of a multicultural society and to ensure that previously marginalized communities are given opportunities.
- → To ensure the existence of proper infrastructure for the development of arts and culture activities.
- → To promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyles.

INTRODUCTION TO LIBRARIES

The Library Service strive to provide educational support for those who endeavour to better their quality of life through enhancing their qualifications and skills, to provide a quality library service to those who seek the



companionship of books and literature and to cultivate a culture of reading and learning amongst the children of our communities with the ultimate view to establish a vehicle for sustaining lifelong education and enhancing of reading skills.

The libraries provide educational programmes and library awareness programmes for adults and children, book lending services, study facilities, photocopy services and free public internet access is available at most of Council's libraries. Library users are assisted to find information they need for assignments, research and general knowledge as part of our reference service and educational toys are available at most of Council's libraries. The Library Service will always strive to provide free services to our communities to improve the quality of life for those that are living in poverty.

SERVICE STATISTICS FOR THE LIBRARIES

INDICATOR	2013/14	2014/15	2015/16
Educational Programmes			
→ Library awareness programmes	118	222	162
Library interest events	40	53	55
Programmes attended by youth and adults	-	7 385	6 834
→ Photocopies made	-	916 666	1 005 583
→ Books and items circulated	-	328 527	300 754
→ Enquiries	-	25 965	39 532

The following libraries are available in the KOSH area:

Alabama Library	018 4878681	Hartbeesfontein Library	018 4878694
Kanana Library	018 487 8970	Khuma Library	018 487 8652
Klerksdorp Library	018 487 8399	Manzilpark Library	018 487 8685
Matlosane Library	018 465 3030	Orkney Library	018 487 8210
Stilfontein Library	018 487 8292	Tigane Library	018 487 8891
RN. Thulo Library (Ext. 8	Khuma) 018 487 8660	Umuzimuhle Library (Vaal Reefs)	018 487 8237

COMMENT ON THE PERFORMANCE OF LIBRARIES

DORA grants to the amount of R800 000 to address shortcomings at various libraries was spent *inter alia* on repairs to furniture, stationary & magnetic book strips, awareness projects, re-upholstery of chairs, purchasing of chairs and equipment, display boards, vacuum cleaners, training and repair and replacing of air-conditioners in various libraries.

The use of libraries for the photocopy service that is provided is in high demand. Library awareness programmes and Library Outreach programmes are held to encourage the community to make use of their libraries and the services that are offered. Adult programmes are presented to promote arts and crafts and book clubs are encouraged and supported to promote reading and enhancing of reading skills.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 143)

	LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP						
		2013/14	2014/15	2015/16			2016/17
Service Objective	vice Objective Service Indicators Target		Actual		Target		Budget
		Target	Actual	Original	Adjusted	Actual	Daaget
To address shortcomings by improve library services and maintenance	Shortcomings at various libraries improved according to the approved project business plan	R1 030 844 CC 47/2014 dated 15 April 2014	Various purchases and (Summary of expenditure available at main library) R202 471	Improving shortcomings at various libraries according to the approved project business plan at a cost of R1 000 000 by June 2016	R800 000	Material needs of main and branch libraries purchased R607 835	R1 100 000
To purchase vehicles for the libraries to address shortcomings	Vehicles purchased according to the approved project business plan	New project	New project	Purchasing 1 light delivery vehicle and 2 sedans at a cost of R600 000 by June 2016	N/A	Tender failed to purchase vehicle for libraries R0	N/A

INTRODUCTION TO MUSEUMS

The Museums and Heritage Section shapes and manifests the consciousness, identities and understanding of communities and individuals in relation to their historical and cultural environments through collection, documentation, conservation, research and education programs.

The heritage resources, collections and collective memory of the people of the City of Matlosana are held in trust by the Museums and Heritage Section for generations to come.

The areas of business are:

- → Main Museum housed in the Old Jail with 15 permanent exhibitions and a Museum Shop.
- → Periodic style House Museum depicting six(6) cultural history exhibitions.
- Four Freedom Squares.
- Goudkoppie Heritage Hill with a replica Blockhouse, replica Tswana huts and kraal, rock engravings, war graffiti and several open mine shafts.
- → Heritage significant aspects of the Old Cemetery and Makweteng Cemetery.
- → North West Offender Art Gallery.

SERVICE STATISTICS FOR THE MUSEUM

INDICATOR	2013/14	2014/15	2015/16	COST (R)
MUSEUM EDUCATION				
→ Education programmes presented	101	99	116	10 000
→ Lifelong learning classes presented	34	36	33	6 000
MUSEUM COLLECTIONS				
→ Maintenance & care of objects	998	2 000	7 500	-
 Digitised collection documentation 	1469	1 323	675	-
MUSEUM EXHIBITIONS			7	
 Temporary exhibitions presented 	8	-	20	15 830
 Existing exhibitions maintained 	22	6	20	21 842
→ Topics researched	3	21	2	63 152
COMMUNITY PARTICIPATION				
 Meetings held with support groups 	10	22	18	-
Consultation sessions	100	106	133	-
HERITAGE AWARENESS				
→ Heritage awareness events	10	10	11	33 305



EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES, MUSEUM, ARTS AND CULTURE							
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	2	2	2	0	0%		
4 - 6	2	3	3	0	0%		
7 - 9	6	9	6	3	33%		
10 - 12	13	14	9	5	36%		
13 - 15	41	41	37	4	10%		
16 - 18	14	17	17	0	0%		
19 - 20	1	1	1	0	0%		
Total	79	87	75	12	14%		

FINANCIAL PERFORMANCE 2015/16: LIBRARY AND MUSEUM SERVICES							
R'000							
	2014/15 2015/16						
Details	Actual Budget	Original Adjustment Actual Varian Budget Budget to Bud					
Total Operational Revenue	783	1 452	1 395	1 190	-22%		
Expenditure			'				
Employees	13 531	14 868	14 871	14 367	-3%		
Repairs and maintenance	206	752	752	538	-40%		
Other	15 823	21 085	21 044	21 614	2%		
Total Operational Expenditure	29 560	36 705	36 667	36 519	-1%		
Net Operational Expenditure	-28 778	-35 253	-35 272	-35 329			

COMMENT ON THE PERFORMANCE OF THE MUSEUM

Highlights of the 2015/2016 Financial Year

- → The museum was the national runner up of the Golden Shield Heritage Award presented by the National Heritage Council in recognition of a well-managed museum that has delivered beyond expectation.
- → The Offender Art Gallery of the Bokone Bophirima Province was officially launched by Justice and Correctional Services Deputy Minister, Mr Thabang Makwetla, as a permanent section of the museum on 18 June 2016 when the Executive Mayor, Cllr MK Khauoe and the Deputy Minister signed an agreement of partnership.

Educational projects and visitors

The section intensified programs to support an enriched educational environment by providing museum and heritage experiences for youth and learners that create opportunities to interact with and learn to value our

diverse heritage. The 116 school and other groups that attended museum educational programs contributed to 6 627 visitors – 35.4% of the total of 18 859 visitors. Visitor increase for the 2015/2016 Financial Year was 12.07%.

Exhibitions

A permanent exhibition depicting Khoasan rock engravings was completed in June 2016.

Temporary exhibitions redress in terms of inclusivity, enhance visitor experience and open doors to debate and interpret information. The temporary exhibitions presented during 2015/2016 were:

- → African Music Exhibition, extended from 2014/2015 due to popular demand.
- Origins and History of Goudkoppie which was also presented at the Tlokwe Museum.
- → Nelson Mandela from Prisoner to President.
- Life of Desmond Tutu.
- → World War I (1914-1918) Centenary Exhibition as a tribute to all South Africans who served in this war.
- Prison Life in the previous century which was also exhibited at the Mahikeng Museum.

Heritage Awareness

Heritage awareness programs promote appreciation of and respect for cultural diversity by connecting communities, encouraging public participation and promoting dialogue.

Collections

The management of our collections through documentation and digitally archiving metadata is an on-going process.

The museums and heritage resources of the City of Matlosana engender local pride and give communities a sense of identity and belonging but also urge to develop the capacity of cultural analysis.

3.13 CEMETERIES

INTRODUCTION TO CEMETERIES

The City of Matlosana is responsible to manage and maintain 25 cemeteries with a surface footprint of \pm 500 hectares. The management entails the administration of burials as well as the operational aspects dealing with the preparation of graves and cemetery maintenance. The crematorium is owned and managed by private entities.

The top three priorities for the section are:

- Rendering affordable quality burial services.
- Providing for future burial needs of the community by planning and developing new cemeteries.
- Cemetery maintenance.



SERVICE STATISTICS FOR CEMETERIES

INDICATOR	2013/14	2014/15	2015/16	
CEMETERIES				
→ Burials	3 262	3 285	3 064	
♦ Adults	2 512	2 899	2 253	
🕓 Children	368	394	332	
🤝 Re-openings	382	462	479	
→ Memorials	1 046	878	848	
Expenditure	R10 730 300	R10 970 024	R11 746 350	
Income	R1 446 248	R1 390 143	R1 402 620	

EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES								
	2014/15		2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 – 3	0	0	0	0	0%			
4 – 6	1	1	0	1	100%			
7 - 9	2	2	2	0	0%			
10 - 12	10	13	10	3	23%			
13 - 15	3	5	3	2	40%			
16 - 18	4	5	3	2	40%			
19 - 20	34	37	34	3	8%			
Total	54	63	52	11	17%			

FINANCIAL PERFORMANCE 2015/16: CEMETERIES							
R'000							
2014/15 2015/16							
Details	Actual Budget	3 1 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
Total Operational Revenue	1 390	1 540	1 830	1 617	5%		
Expenditure							
Employees	8 950	9 766	9 742	8 979	-9%		
Repairs and maintenance	285	407	411	676	40%		
Other	1 735	1 573	1 656	1 422	-11%		
Total Operational Expenditure	10 970	11 746	11 809	11 077	-6%		
Net Operational Expenditure	-9 580	-10 206	-9 979	-9 460			

COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

Planning commenced for the new Alabama cemetery north of extension 3.

Challenges

- Limited equipment and human resources to deal with ± 2 500 burials per annum.
- Challenges exist with old equipment which cannot keep up with the rate of burials.
- Equipment is old and breaks frequently which cause crises intervention more often.
- Lack of funding for fencing new Cemeteries.
- Saturated Alabama cemetery.

Measures taken to address the challenges indicated:

- Promotion of alternative burial methods such as cremation.
- → Re-use of old graves. Provision is made for pauper burials.
- → Developing new cemeteries in close proximity to reduce costs of transport and development of infrastructure.
- New tariffs were obtained to make burials affordable.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes Parks, Faan Meintjes Nature Reserve and Aerodrome.

3.14 PARKS, FAAN MEINTJES NATURE RESERVE AND AERODROME

INTRODUCTION TO BIODIVERSITY AND LANDSCAPE

Parks

The Parks and Development section aims to manage and develop a pleasing, aesthetic and effective environment to aid in the well-being of the residents in our community.

The development of the N12 islands beautification and Jabulani corridor landscape has commenced. The annual arbour event benefited a Kanana school and various incentives all over the region have contributed to awareness of greening of communities. Grass cutting and tree pruning operations are under severe pressure due to equipment and staff shortages.

The three top priority delivery areas are to

- simprove the surrounding environment within the community and urban spaces with regard to greening;
- beautification of Matlosana open spaces, conservation and protection of exit Bio diversity areas; and
- promote greening awareness and preservation of biodiversity to create a sustainable environment.

Faan Meintjes

The objective of the nature reserve is to render an environmental education service to the community, protect the fauna & flora and to promote local tourism in the region.

Once the educational centre is operational, it will benefit the community in the following ways:

- \(\bar{\psi} \) Educate the community on Biodiversity awareness.
- Create jobs for SMME's (tour guides, catering, transport etc.).
- Promote local tourism.
- Attract future investment.



SERVICE STATISTICS FOR PARKS, FAAN MEINTJES AND AERODROME

INDICATOR	2013/14	2014/15	2014/15	
AERODROME				
Aerodrome – cut grass	1	1	1	
Expenditure	R3 720	R5 137	R5 000	
NATURE RESERVE				
→ Day visitors	4 622	4 490	3 323	
→ Vehicles / Buses	1 339	1 298	971	
Accommodation and functions	589	451	344	
Expenditure	R959 956	R728 615	R712 380	
Income	R1 044 616*	R290 346	R213 759	
TREES				
→ Trimmed	4 574	3 846	4 029	
AUCTION KRAALS				
→ Total auctions	52	49	48	

^{*} Include surplus game sold

EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE , ORKNEY VAAL & AERODROME							
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	1	1	0	1	100%		
4 - 6	2	2	2	0	0%		
7 - 9	8	10	7	3	30%		
10 - 12	9	11	9	2	18%		
13 - 15	34	40	33	7	18%		
16 - 18	25	30	25	5	17%		
19 - 20	108	125	120	5	4%		
Total	187	219	196	23	11%		

FINANCIAL PERFORMANCE 2015/16: PARKS, FAAN MEINTJES NATURE RESERVE , ORKNEY VAAL AND AERODROME						
					R'000	
	2014/15 2015/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget	
Total Operational Revenue	2 941	2 139	2 339	2 884	26%	
Expenditure						
Employees	30 598	33 606	33 260	32 537	-3%	
Repairs and maintenance	2 474	3 403	3 454	4 273	20%	
Other	8 220	8 620	9 735	9 758	12%	
Total Operational Expenditure 41 292 45 629 46 449 46 568 2%						
Net Operational Expenditure	-38 351	-43 490	-44 110	-43 684		



COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL

Comments on performance of biodiversity great emphasis is placed on creating awareness amongst communities on the need to preserve and green up the environment. Arbour events are the ideal tool to promote greening.

COMPONENT F: HEALTH

3.15 OCCUPATIONAL HEALTH CENTRE

INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

Occupational Health Nursing (OHN) is a specialist field that provides for and delivers health and safety programmes and services to workers and worker population in their place of employment. It focuses on the promotion and restoration of health, the prevention of illness and injury and the protection from work related and environmental hazard. OHN has to look at how the disease causation may be related to work exposure and how its management may necessitate an intervention like job relocation.

Indigent burial administration is part the function of the management and processing of the indigent for Local Municipality as per Regulation 636 Sections 11, 30, 32, 34 and 35 of the National Health Act 61 of 1993.

Challenges

- → Occupational Health is still a new concept within the municipality sphere; it was difficult in moving into this new concept as employer/employees still take it as Primary Health Care.
- → Currently the unit is placed at Community Services whereas it is actually a Human Resource function and with the approval of new organogram it will help the smooth running and even the proper building of a structure for such a purpose as it is the case with other benchmarked municipalities.
- → Requesting the budget for the new Occupational Health Unit had to go through a lot of scrutiny to clarify the legality and sustainability thereof.
- → Conflict of two sets of Management one from the municipality and one from Provincial Health office which was confusing and frustrating to employees that are still in the clinics.

Aims of Occupational Health Services as formulated by the World Health Organisation are to:

- Protect workers from hazards at work (protection and prevention principle).
- Adapt work and the work environment to the capabilities of workers (adaptation principle).
- → Enhance the physical, mental and social well-being of workers (health-promotion principle) as well as their ability to conduct a socially and economically productive life.
- → Minimise the consequences of occupational hazards, accidents and injuries and occupational and work-related diseases (the cure and rehabilitation principle).
- → Provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

KPA's of an Occupational Health Service

- → Health promotions
- → Injury on duty administration
- → Medical surveillance of employees
- → Pre-employment, periodical and exit medical examinations
- → Fitness for work / duty assessments
- Primary medical care of employees and Injuries on Duty
- → HIV care / disease management
- Medical evaluation of employees
- → Work incapacity or disability
- Recurrent sick leave
- → Re-integration and Rehabilitation of sick employees
- On the shop floor occupational health monitoring

SERVICE STATISTICS FOR THE OCCUPATIONAL HEALTH CENTRE

SERVICE STATISTICS			
Service Data Statistics	2013/14	2014/15	2015/16
Head count to the centre	1 330	1 329	1 329
Meetings	10	30	24
Hepatitis vaccinations	106	-	185
Health promotions	0	3	8
Flu vaccinations	10	72	0
HIV / AIDS Statistics	2013/14	2014/15	2015/16
Screened	135	103	103
Counselled	135	103	103
Tested	48	69	69
Non-reactive	39	34	34
Reactive	6	1	1
Referred for ARV	3	1	1
Blood samples taken	6	3	3
On treatment	18	15	15
TB Statistics	2013/14	2014/15	2015/16
Screened	67	39	39
Sputum collected	47	35	35
Negative	44	30	30
Positive	3	5	5
Referred to clinic	3	5	5
Family Planning	2013/14	2014/15	2015/16
Injectable	185	219	191
Oral contraceptives	99	98	96
Male condoms (departments)	1 931	1 420	1 420
Female condoms	78	57	57
Pap smears	2	1	1
Implant	-	1	1

CHRONIC DISEASES			
HBP / DIABETIC	2013/14	2014/15	2015/16
Total patients seen	122	271	171
New diagnosis	4	60	60
Ref /treatment	6	29	29
Ref to doctor	2	5	5
Ref to hospital	2	3	3
Uncontrolled	8	3	3
On treatment	77	60	60
Defaulter	4	3	3
MINOR AILMENTS	2013/14	2014/15	2015/16
Total patients seen	290	476	376
New diagnosis	8	29	29
Ref /treatment	6	8	8
Ref to doctor	3	3	3
Ref to hospital	2	1	1
Uncontrolled	4	0	0
On treatment	2	6	6
INJURY ON DUTY	2013/14	2014/15	2015/16
Total patients seen	38	24	24
New diagnosis	21	24	24
Ref /treatment	0	-	-
Ref to doctor	0	-	-
Ref to hospital	21	20	20

REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2012/13	2014/15	2014/15	COST (R)
Indigents				
→ Adults	84	65	46	148 749
→ Children	3	4	5	7 888
→ Babies	35	21	23	22 922
Paupers				
→ Adults	16	5	0	0
→ Babies	3	0	0	0
Oversize coffin	2	0	0	0
Expenditure	R336 605	R230 416		R179 559

REPORT ON INJURY ON DUTIES 2015/16

Request for re-opening of file = 0 New accidents/incidents reported = 60 Final Medical Reports/Resumption reports = 46 Fatal claims = 0



EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH SERVICES								
	2014/15		2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)			
0 - 3	1	1	1	0	0%			
4 - 6	3	4	3	1	25%			
7 - 9	3	3	3	0	0%			
10 - 12	1	2	1	1	50%			
13 - 15	4	5	4	1	20%			
16 - 18	0	0	0	0	0%			
19 - 20	1	1	1	0	0%			
Total	13	16	13	3	19%			

FINANCIAL PERFORMANCE 2015/16: HEALTH AND OCCUPATIONAL HEALTH CENTRE						
R'000						
	2014/15 2015/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget	
Total Operational Revenue	0	300	200	44	-582%	
Expenditure						
Employees	3 882	4 065	4 082	4 067	0%	
Repairs and maintenance	5	48	48	9	-433%	
Other	464	1 161	1 082	714	-63%	
Total Operational Expenditure	4 351	5 274	5 212	4 790	-10%	
Net Operational Expenditure	-4 351	-4 974	-5 012	-4 746		

COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic, Security, Municipal Court, Fire Services and Disaster Management.

3.16 TRAFFIC, SECURITY AND MUNICIPAL COURT

INTRODUCTION TO TRAFFIC AND MUNICIPAL COURT

The key function of the Road Safety sub-section is to conduct campaigns on road safety to the community. A total of 36 campaigns were conducted in the 2015/2016 financial year.



Warrant of arrest section

The core function of this section is the execution of warrant of arrest for road traffic offences. An income to the amount of R1 069 700 was generated in the 2015/16 financial year.

Multi road blocks

The function for multi road blocks is road safety and to ensure free traffic flow. 15 Road blocks were held within the KOSH area in conjunction with the SAPS and Commandos.

Administration logistics

An income to the amount of R1 556 170 was generated in the 2015/16 financial year.

TRAFFIC SERVICE DATA						
	201	5/16				
Details	Actual No		Estimated No	Actual No		
Number of road traffic accidents during the year	3 080	3 916	4000	3574		
Number of by-law infringements attended	26 966	8 846	9000	6400		
Number of police officers in the field on an average day	43	44	50	44		
Number of police officers on duty on an average day	56	60	70	60		

SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2013/14	2014/15	2015/16
Traffic Violations			
Section 56 Summonses			
→ Speed	2 576	-	-
→ Other	11 221	9 518	18 155
Section 341 Notices			
Other parking offences	7 829	8 846	6 400
Cameras: speed and robot	100 463	28 004	-
TOTAL	139 704	46 368	24 555
Total income from Traffic Court			
→ Admission of guilt paid (criminal)	108 400	142 650	165 150
Court fines	557 300	165 150	200 950
Provincial court fines	4 050	126 503	7 750
TOTAL	70 7900	434 303	373 850
Summons issued			
Section 56 Summonses issued – traffic officers			
→ Speed	2 576	0	0
→ Other	11 221	9 518	18 155
Summonses issued – unpaid Section 341 Notices	14 231	0	0
TOTAL	28 028	9 518	18 155
Cases withdrawn by senior public prosecutor as a result of			
representations			
Section 56 Summonses	834	136	
Section 341 Notices	2 026	292	

→ Camera cases TOTAL	2 715 5 575	879 1 307	449
Admission of guilt	0010	1 007	
Magistrate's Court	905 160	308 800	407 250
Matlosana Traffic Court			
→ Contempt of court	334 350	139 800	344 900
→ Warrants of arrest	707 080	530 100	1 069 700
→ Easy Pay	2 897 070	-	-
At Traffic Department	2 007 070		
Section 56 summonses	3 844 372	854 220	1 556 170
Section 341 Notices	323 115	034 220	1 550 170
		4 000 000	2 270 020
TOTAL	9 011 147	1 832 920	3 378 020
Total income per annum	0 044 447	4 000 000	2 270 000
Traffic fines	9 011 147 17 661	1 832 920 10 142	3 378 020 31 790
Accident reports	124 414	10 142	200
 → Income from parking grounds → Escort fees 	124 4 14	U	200
Abnormal loads	1 764	2 394	79 050
Fun runs / road races / cycle races / temporary closing	19 723	0	0
of streets	10 720	Ŭ	ŭ
→ Temporary closing of streets	0	96 858	46 157
TOTAL INCOME	9 282 888	1 942 314	3 535 217
Arrests (driving while under the influence of intoxicating liquor)			
→ Males	718	447	314
→ Females	7	0	0
TOTAL	725	447	314
Escorts / special services rendered			
Abnormal loads	252	231	179
Funerals	351	259	197
Fun runs / road race / cycle races	8	12	4
Street festival	1	1	1
→ Street braai / street closure TOTAL	111 723	50 553	50 431
IUIAL	123	555	431

EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES							
	2014/15	2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	2	2	2	0	0%		
4 - 6	3	3	3	0	0%		
7 - 9	15	16	14	2	13%		
10 - 12	59	62	59	3	5%		
13 - 15	13	13	12	1	8%		
16 - 18	23	27	21	6	22%		
19 - 20	46	52	46	6	12%		
Total	161	175	157	18	10%		



FINANCIAL PERFORMANCE 2015/16: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES							
R'000							
2014/15 2015/16							
Details	Actual Original Adjustment Actual Variance Budget Budget Budget to Budget						
Total Operational Revenue	5 440	5 440 2 426 2 559 13 686 82%					
Expenditure							
Employees	31 538	35 621	35 938	35 833	1%		
Repairs and maintenance	1 139	1 270	1 453	1 709	26%		
Other	22 558	27 714	27 513	31 430	12%		
Total Operational Expenditure	55 235 64 605 64 904 68 972 6%						
Net Operational Expenditure	-62 -55						

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

There were no capital projects for this year.

3.17 FIRE AND DISASTER MANAGEMENT

INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The section fully support and complement the vision and mission of the Council in an attempt to become one of the best and leading section in our Municipality and the Province.

The Disaster Management competency is getting full political support and Councillors waits to see Disaster Risk Management come to its fullest potential. Currently there are two officials doing Disaster Risk Management of which a proposed organogram was submitted to Council for approval. The unit focuses on preventative measures in the form of CBDRA's (Community Based Disaster Risk Assessments) and recommendations to relevant sections and institutions. The section also co-ordinates and liaises with the relevant sections in attempt to assist the community in all thirty five (35) wards. The section assists with blankets and matrasses and capturing of incidents in the form of reports and photo's as proof of evidence (POE).

FIRE SERVICES

Service delivery priorities:

- → To be in a position to respond to all <u>fire & rescue incidents</u> and complement the purpose of the service as per the Fire Brigade Act (act 99 of 1987).
- → To be pro-active in terms of <u>Fire Prevention</u> Inspections.
- → To timeously <u>response to complaints</u>.

The section really tries to accommodate all areas of responsibility and work closely with the ward councillors and the community with regard to fire safety and general fire information.

The section's major efficiencies achieved:

- Sometimes "write off" accounts for indigent people.
- Assists with supporting letters for insurance claims.
- → Assists the community by engaging with sector departments (such as Home Affairs, SASSA, Social Welfare, SAPS and Environmental Health).

SERVICE STATISTICS FOR FIRE SERVICES

FIRE SERVICE DATA							
Detelle	2013/14	2014/15	2014	1/15			
Details	Actual No	Actual No	Estimate No	Actual No			
Total fires attended in the year	747	691	500	539			
Total of other incidents attended in the year	4 522	3 316	4 500	3 309			
Average turnout time - urban areas	3 to 5 min						
Average turnout time - rural areas	7 to 10 min						
Fire fighters in post at year end	56	56	50	56			
Total fire appliances at year end	8	6	6	6			
Average number of appliance off the road during the year	7	9	4 to 6	9			

DESCRIPTION	2013/14	2014/15	2015/16
Fire suppression	267	273	249
Public education	19	13	16
Building plans	1 074	978	851
Site inspections – new	37	25	21
Site inspections – re-inspections	8	4	1
Flammable liquid registrations	126	86	74
Fire hydrant maintenance/inspection	505	31	385
Grass fires	480	411	283
Training	15	0	17
Trade licences	193	167	240
Transport permits	389	243	184
Complaints	2	1	2
Pre-burn inspections	7	6	0
Pre-burns	11	7	7
Rescues	163	155	137
Building inspections	749	916	842
People trained	215	1 872	416

The disaster management functions of the municipality are administered as follows:

- → Assess risks in the area and determine the vulnerability of the community of City of Matlosana;
- → mitigating these risks and integrates them into the IDP to reduce vulnerability;
- public Information Education and Relations;.
- disaster Risk Management contingency plans;



- co-ordination of safety at events; and
- disaster response and disaster relief operations.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

DESCRIPTION	2013/14	2014/15	2015/16
Number of events	36	38	31
Social Relief (Fire)	75	74	92
Explosion	1	1	0
Fatalities	2	4	0
Public information, education and relation	12	16	20
Blankets	295	183	91
Mattresses	162	122	79

EMPLOYEE INFORMATION

	EMPLOYEES: FIRE AND DISASTER MANAGEMENT						
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	0	1	0	1	100%		
4 - 6	4	4	4	0	0%		
7 - 9	20	25	20	5	20%		
10 - 12	8	23	8	15	65%		
13 - 15	37	39	36	3	8%		
16 - 18	1	1	1	0	0%		
19 - 20	5	5	5	0	0%		
Total	75	98	74	24	24%		

FINANCIAL PERFORMANCE 2015/16: FIRE AND DISASTER MANAGEMENT						
R'000						
2014/15 2015/16						
Details	Actual Original Adjustment Actual Variance Budget Budget Budget Budget					
Total Operational Revenue	206	261	261	136	-92%	
Expenditure						
Employees	22 870	22 325	22 247	24 591	9%	
Repairs and maintenance	880	929	1 248	1 266	27%	
Other	4 721	3 600	3 813	2 924	-23%	
Total Operational Expenditure	28 471	26 854	27 308	28 781	7%	
Net Operational Expenditure	-28 265	-26 593	-27 047	-28 645		

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

There were no capital projects for this year.



COMPONENT H: SPORT AND RECREATION

This component includes: parks; sport fields; sports halls; stadiums and swimming pools.

3.18 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The Sport and Recreation Section is responsible for establishing a positive attitude in the community towards sport and recreation and to encourage greater community involvement and interest in sport and recreation.

The main service delivery priorities are:

- → Maintenance and preparation of all sport facilities x 25 stadiums, x4 swimming pools, x 1 golf course;
- Talent identification;
- Sport promotion; Transformation of sport;
- Local economic development;
- → Women capacity development;
- National unity;
- Facilitation of 27 lease contracts;
- Club development; and
- Sport tourism development.

Sport Events:

- Swimming galas;
- World Day For kids;
- Special day's programs;
- Sport against crime;
- Sport Merit Awards; and
- PSL Matches.

SERVICE STATISTICS FOR SPORT AND RECREATION

INDICATOR	2013/14	2014/15	2015/16
Swimming Pools			
Gala events	1	1	0*
Expenditure	R42 531	R50 000	R50 000
Income	R38 201	R43 061	R44 093
Recreation			
→ Total major events	7	6	1
Expenditure	R195 673	R47 000	R70 122
Sports Merit Awards Expenditure 2 x PSL GAMES			
→ Free State Stars vs. Kaizer Chiefs	-	-	R1 138 018
Expenditure	-	-	R351 093
Income			
→ Free State Stars vs. Maritzburg United			



Expenditure	-	-	R753 239
Income	-	-	R15 188

^{*} Gala Event was moved to Rustenburg

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

- → Hosted PSL Games at Oppenheimer Stadium
- → Hosted June 16 Tournament
- ◆ The State President Honourable Mr Jacob Zuma visited Brazil Stadium
- → The Deputy President, Hounarable Mr Cyril Ramaposa visited Oppenheimer Stadium
- New Swimming pools opened in Kanana and Tigane
- Conducted Matlosana Sport Merit Awards

EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION							
	2014/15	2015/16					
Job Level	Employees	Posts	Posts Employees		Vacancies (as a % of total posts)		
0 - 3	0	0	0	0	0%		
4 - 6	0	1	1	0	0%		
7 - 9	3	4	3	1	25%		
10 - 12	14	18	13	5	28%		
13 - 15	13	15	13	2	13%		
16 - 18	11	20	10	10	50%		
19 - 20	53	56	55	1	2%		
Total	94	114	95	19	17%		

FINANCIAL PERFORMANCE 2015/16: SPORT AND RECREATION							
R'000							
	2014/15	2015/16					
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget		
Total Operational Revenue	335	350	1 150	219	-60%		
Expenditure							
Employees	14 786	16 286	16 170	15845	-3%		
Repairs and maintenance	2 705	2 798	3 465	3466	19%		
Other	34 645	41 632	43 535	33 811	-23%		
Total Operational Expenditure	52 136	60 716	63 170	53 122	-14%		
Net Operational Expenditure	-51 801	-60 366	-62 020	-52 903	-14%		

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES



This component includes: corporate policy offices; strategic planning and regulatory; financial services; human resource services; ICT services and property services.

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

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

Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licences.

In order for the municipality to finance service delivery it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and sufficient municipal service delivery networks such as water pipes and reservoirs as well as sewer and electrical networks and plant and equipment.

3.19 EXECUTIVE AND COUNCIL

This component includes: the executive office (mayor, councillors and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 101 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the City of Matlosana is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of chapter 12 of the Local Government: Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government and the powers and functions of municipalities are determined in section 156 of the Constitution.

The executive authority of the Council vests with the Executive Mayor, who must however report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and who may make decisions. However, there are certain matters on which the Executive Mayor as the head of the municipality

cannot make decisions, i.e. the approval of the budget, the IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated by Council to the Executive Mayor, who will in turn sub-delegate to the Municipal Manager. The municipal manager may also sub-delegate to directors, who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government to

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

In order to ensure sustainable service delivery to the community, Council sets the top three service delivery priorities as follows in order to achieve good governance levels:

- risk management;
- → internal audit; and
- accounting and auditing.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

	2013/14		2014/15		2015/16	
DETAIL	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	•
Finance and Debt Normalisation	6	2	6	1	5	1
Corporate Governance	6	1	6	1	5	0
Transversal Issues	6	0	6	1	5	0
Infrastructure	6	0	6	1	5	0
Public Safety	6	0	6	2	5	0
Community and Health Services	6	0	6	1	5	0
Economic Growth and Market	6	0	6	1	5	0
Electrical Engineering	6	0	6	1	5	0
Housing, Land Affairs & Rural Development	6	6	6	3	5	3
Sport, Arts and Culture	6	0	6	1	5	0

DETAIL	2013/14	2014/15	2015/16
Section 80 Committee Meetings			
→ Anglo Gold	4	1	0
Project Monitoring	3	3	4
→ Heritage Committee	0	0	0
→ Budget Steering	6	4	7
→ Audit Committee	1	-	
→ Matlosana / ISAGO@N12	6	2	3
→ IDP Steering Committee	6	4	4



INTRODUCTION TO INTERNAL AUDIT

In terms of section 216(1)(c) of the Constitution of Republic of South Africa, (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards.

Good governance involves how organisation is managed, its organisational culture, policies, strategies and the way it deals with stakeholders. The internal audit and audit committee provide objective, independent advice to improve oversight, governance and help mitigate risk.

Working with internal audit, the audit committee brings different skills and expertise to assist in improving the performance of an institution. The internal audit and audit committee do not assume any management functions nor should management exert any undue influence over the work of the internal audit and audit committee.

Mission of Internal Audit

The mission of internal audit is to provide accounting officer and the audit committee with independent, objective assurance and consulting services designed to add value and improve the organisation's operation. Furthermore it helps the organisation accomplish its objective by bringing a systematic disciplined approach to evaluating and improving the effectiveness of risk management, internal control and governance processes.

Risk Management

The risk management conducts a risk assessment, thereafter compiles a risk assessment report that entails the top 30 high risk based on operational risks and strategic risks and thereafter submits it to internal audit to prepare a three-year rolling plan and one year risk based plan and performance operational plan.

Internal Control

Internal audit reviews the adequacy and effectiveness of internal control through operational risk-based plan based on the top 10 high risks completed within the current financial year.

Governance Issues

Internal audit reviews the effectiveness of the following projects as governance issues:

- Risk Management
- Records Management
- IT environment

Audit Committee

Section 166 of the MFMA requires that each municipality and municipal entity must have an audit committee. The audit committee must advise the municipal council, political office bearers, the accounting officer and the management of the municipality of municipal entity on matters relating to:

- Internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- internal Audit and Audit Committee;
- compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality or municipal entity.

Audit Committee Charter

The Audit Committee Charter should be published on the municipal website to promote awareness to all stakeholders.

The charter should be reviewed annually and updated to ensure relevance and consistency with the MFMA, Municipal Systems Act (No 32 of 2000) as amended and other related regulations, guides and best practice. The charter should be used as a basis for:

- Preparing the audit committee's annual work plan;
- Setting the agenda for the meeting;
- Requesting skills and expertise;
- Making recommendations to the accounting officer and municipal council;
- Assessing the audit committee's performance by its members, municipal council, management, Auditor-General and internal auditors; and
- Contributions and participation at meetings.

COMMENTS ON THE PERFORMANCE OF INTERNAL AUDIT OVERALL

Section 165 of the MFMA requires that each municipality and municipal entity must have internal audit unit. The internal audit unit of a municipality or municipal entity must:

- Prepare a risk based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
 - Internal audit;
 - Internal controls;
 - Accounting procedures and practices;
 - Risk and risk management;
 - ♥ Performance management;
 - ♦ Loss control:
 - Compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
 - Perform any such duties as may be assigned by the accounting officer

The internal audit charter:

The charter outlines the mandate of internal audit and serves as a statement of purpose, authority and responsibility. The charter must be in writing and address the following:

- The internal audit's purpose, authority and responsibility.
- ♥ The standards to be complied with.
- ♦ The position of internal audit within the organisation.
- A description of assurance and nature of consulting services.
- The period of review of the charter.
- ♥ The appointment and dismissal of chief audit executive.
- Access to information, properties and personnel.

The charter must be approved by the Audit Committee and accepted by the Accounting Officer.

EMPLOYEE INFORMATION

EMPLOYE	EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)						
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	7	13	6	7	54%		
4 - 6	11	16	12	4	25%		
7 - 9	3	4	2	2	50%		
10 - 12	10	14	9	5	36%		
13 - 15	5	5	4	1	20%		
16 - 18	3	3	3	0	0%		
19 - 20	0	0	0	0	0%		
Total	39	55	36	19	35%		

FINANCIAL PERFORMANCE 2015/16: THE EXECUTIVE AND COUNCIL (POLITICAL OFFICES, OFFICE OF THE MUNICIPAL MANAGER & COUNCILLORS)					
R'000					
	2014/15		201	5/16	
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget
Total Operational Revenue	2 783		-	0	-
Expenditure					
Employees	42 908	14 330	14 133	11 683	-23%
Repairs and maintenance	338	322	324	163	-98%
Other	70 290	9 539	9 251	8 588	-11%
Total Operational Expenditure	113 536	24 191	23 708	20 434	-18%
Net Operational Expenditure	-110 753	-24 191	-23 708	-20 434	



3.20 STRATEGIC PLANNING AND REGULATORY

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

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

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

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

The directorate comprises of the following units:

- Performance Management.
- Integrated Development Planning.
- Risk Management.
- MPAC.

PERFORMANCE MANAGEMENT SYSTEMS

Performance management is a process which measures the implementation of the organisation's strategy, as set by Council and targets, as developed as part of a public participation process. Performance management is the central management tool that assists the Council in improving service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensuring that the municipality achieves its strategic objectives.

At local government level performance management is institutionalised through the legislative requirements, most notably the Local Government: Municipal Systems Act 32 of 2000, as amended (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (MFMA) and related Regulations.

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

Comments on the performance of Performance Management Overall

The Performance Management System implemented at the municipality is intended to provide a comprehensive, step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

The performance management policy framework as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels.

The Auditor-General reported that although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, the following matters were raised:

- → Misstatements in the annual performance report submitted for auditing on the reported performance information for key performance area 1: Service delivery and infrastructure development and key performance area 4: Municipal financial viability and management.
- → As management subsequently corrected the misstatements, it did not identify any material findings on the usefulness and reliability of the reported performance information.

During the 2015/16 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The City of Matlosana has continued to maintain the effective operation of the following processes:

- → The 2015/16 SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies.
- → Performance agreements with performance plans were developed, signed and approved by the Administrator as required by the Municipal Performance Regulations, 2006.
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.
- → A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.

INTEGRATED DEVELOPMENT PLANNING

Integrated development planning is the process through which the municipality prepares a strategic developmental plan, which is the principal instrument guiding all planning, management, investment, development and implementation decisions, taking into account inputs from all stakeholders.

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structures. It also integrates and aligns planning in different spheres of government and therefore enforces and upholds the spirit of co-operative governance in the public sector.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures,

within its available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security. The current goal of municipalities is to establish a planning process, which is aimed at the disposal of the imbalances created. Developmental local government can only be realised through integrated development planning and the compilation of an Integrated Development Plan (IDP).

Therefore the IDP document of the City of Matlosana and its strategies are aimed at addressing the key national and provincial priorities, the National Development Plan as well as the Millennium Development Goals (MDG`s).

The purpose of the integrated development planning is to better the quality of life of the people living within the area of the municipality. It provides the guidelines as to how to use the land within the municipality, which resources to use and how to protect the environment. All strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning, different plans are integrated, co-ordinated and linked to the use of natural-, financial-, human- and physical resources.

We are focused on developing consensus around strategic developmental priorities and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

The IDP review itself is mandatory in terms of section 34 of the same legislation referred to above and seeks to induce life into the IDP such that it takes into account the changing priorities and planning outcomes of the City.

This current version represents a third-generation IDP for the City of Matlosana and will remain in force until the completion of the term of office of the current municipal council. It seeks to emulate the previous version, a second-generation IDP that was among the best in the North-West Province.

This document is a product of a broad consultative process which culminated in a successful IDP Representative Forum held on 15 April 2013 where stakeholders confirmed and approved projects for the City of Matlosana. In line with section 41 of the Constitution of the Republic of South Africa, our IDP as reviewed is accordingly informed by and aligned to the developmental priorities of our municipality and the 16 sectoral departments of our district, including some state-owned enterprises and the business community.

The upgrading of Sewer outfall line in Kanana Ext 14, the main storm-water drainage in various phases in Jouberton, Kanana, Khuma, Tigane and Alabama have been completed as well as the opening of the new solid waste cell on existing site in Klerksdorp and the Pedestrian Bridge over the N12.

The major priorities as indicated by our community during the IDP consultation processes are storm-water drainage, sewer and the upgrading and maintenance of infrastructure. The above-mentioned projects were therefore prioritised and are being implemented to address the needs of the community.

RISK MANAGEMENT

Risk management process - During the period under review, the City of Matlosana assessed its risks relative to its strategic and annual performance plans. Both internal and external conditions that may impede the achievement of the goals expressed in the strategic and annual performance plans were identified and evaluated.



Based on the recommendation of the Risk Management Committee, the Accounting Officer approved a risk management strategy to manage the risk factors. The Municipal internal audit plan included audits designed to test the adequacy, effectiveness and economy of the internal control systems to counteract the effects of the significant risk factors.

Impact on institutional performance - During the period under review, City of Matlosana assessed the effectiveness of its system of risk management. The areas requiring improvement are receiving the required attention although financial constraints the municipality is faced with affects the process negatively. The Municipal risk management efforts are contributing positively to the City of Matlosana performance. On a residual basis, meaning that after mitigating actions were taken, the Municipality risk profile based on the main categories of risk is as follows:

RISK CATEGORY	STATUS	
	2014/15	2015/16
Financial management & reporting risks		
Operational risks		
Information communication and technology risks		
Legal risks		
Compliance/Regulatory		

Key

High risk
Moderate risk
Low risk

The top five risks in the financial year are outlined as follows:

- Lack of infrastructure master plans;
- inadequate safeguarding of council assets;
- failure to spend grants within the allocated financial year;
- non-compliance with SCM policies and procedures; and
- heavy reliance on external service providers.

INTRODUCTION TO MPAC

The Municipal Public Accounts Committee (MPAC) oversight on the performance and finances of the Municipality and ensure compliance in fighting corruption and perform all tasks relating to public administration investigations.

Subsequent to public hearing meetings and in-loco inspections conducted, MPAC recommends consequence management to Council on the irregularities / corruption occurred.

COMMENTS ON THE PERFORMANCE OF MPAC OVERALL

No budget was allocated to MPAC for the past five financial years.



EMPLOYEE INFORMATION

	EMPLOYEES: STRATEGIC PLANNING, MONITORING AND CONTROL						
	2014/15		2015/16				
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	1	1	1	0	0%		
4 - 6	5	7	5	2	29%		
7 - 9	0	0	0	0	0%		
10 - 12	1	2	1	1	50%		
13 - 15	0	0	0	0	0%		
16 - 18	0	0	0	0	0%		
19 - 20	0	0	0	0	0%		
Total	7	10	7	3	30%		

FINANCIAL PERFORMANCE 2015/16: STRATEGIC PLANNING, MONITORING AND CONTROL					
					R'000
	2014/15		201	5/16	
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget
Total Operational Revenue	0	0	0	2 066	1
Expenditure					
Employees	8 360	0	0		
Repairs and maintenance	6	9 718	9 593	40 572	1
Other	717	25	25	42	0
Total Operational Expenditure	9 083	811	791	46 710	1
Net Operational Expenditure	-9 083	10 554	10 409	87 324	

3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

This directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by government to the municipality to enhance service delivery as in MIG and equitable shares. For the municipality to have effective service delivery, budget and IDP processes must be followed so as to ensure public participation to cover all community proposals as regards projects.

The directorate develops budget-related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of policy. Internal and external audits will be conducted in order to ensure management of risk and curbing of corruption while encouraging effective customer care and service.

	DEBT RECOVERY					
						' 000
	20)14/15	20	15/16	201	6/17
Details of the types of account raised and recovered	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that was collected %
Property rates	227 215	81%	266 828	82%	281 771	84%
Electricity – B						
Electricity – C	539 224	82%	612 463	83%	685 958	85%
Water – B						
Water – C	327 422	56%	450 051	46%	517 558	48%
Sanitation	70 032	68%	97 720	52%	103 192	55%
Refuse	90 881	48%	134 270	35%	141 789	35%
Other	246 572	45%	627 740	21%	662 892	34%

- Property rates billed annually has a collection rate of between 82%
- → Electricity billed annually has a collection rate of between 83% taking into account electricity losses and theft
- → Water billed annually has a collection rate of between 46%, with huge water losses in the municipal area due to old infrastructure.
- Sanitation billed annually has a collection rate of 52%
- → Refuse billed has a collection rate of between 35%
- → Other Income other income depends on the nature of the income with a collection rate of 21%. Example: administration costs, interest, legal costs and other sundries.
- → The low collection rates are as a result of the areas where Eskom provides electricity and credit control is problematic

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions within the municipality have been decentralised. The departments are requesting quotations and compiling preliminary specifications and report for the bid committee. The unit as it is check compliance and facilitate the procurement process until the award stage.

All goods and service procured through the process have an impact on service delivery. The committees within the unit which consist of members from other department ensure the following:-

- Goods or service are procured at correct time.
- Right quality and quantity.
- Utilising the correct service provider or supplier.

Challenges

- Decentralisation of the SCM process makes the system biased.
- Lack of office and filing space.
- Delay in the SCM process on the appointment of service provider or suppliers.
- Procurement plan.
- ◆ Lack of electronic supplier data-base system still using manual system.

- Appointments in term of regulation 36 (deviations process).
- ◆ Lack of declaration of interest by councillors and officials.
- Submission of procurement plan on time and as required.

EMPLOYEE INFORMATION

EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
	2014/15		2015	/16	
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	5	7	5	2	29%
4 - 6	15	22	15	7	32%
7 - 9	29	35	30	5	14%
10 - 12	68	91	67	24	26%
13 - 15	29	43	29	14	33%
16 - 18	3	4	3	1	25%
19 - 20	11	14	12	2	14%
Total	160	216	161	55	25%

FINANCIAL PERFORMANCE 2015/16: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
					R'000
	2014/15		201	5/16	
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget
Total Operational Revenue	543 973	448 783	483 405	782 170	43%
Expenditure					
Employees	46 297	54 640	52 874	48 666	-12%
Repairs and maintenance	328	8 589	8 589	5 822	-48%
Other	385 642	425 272	474 545	495 934	14%
Total Operational Expenditure	432 267	488 501	536 008	550 422	11%
Net Operational Expenditure	111 706	-39 718	-52 603	231 748	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The financial year 2015/16 was a challenging year whereby the section 139 intervention came to an end with the election of the new council.

The audit opinion remained unchanged with a qualification, however, the number of matters leading to the qualification, were again reduced and we are confident to move into an era with unqualified audit opinions starting in 2016/17 financial year.

The cash flow position of the municipality remains limited as a result of numerous backlog creditors that have to be dealt with in the coming years. After this has been settled, it will be back to normal with focus on proper service delivery, repair and maintenance and well informed asset acquisitions.



NATIONAL KEY PERFORMANCE INDICATORS

See pages 211 - 213 for more detail.

3.22 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Section of the City of Matlosana is responsible for:

- Recruitment, selection and appointment of personnel.
- → The administration and management of leave, pension and medical aid funds.
- → Ensuring the safety and wellness of officials through the Occupational Health and Safety unit as well as the Employee Assistance Programme unit.
- Ensuring capacitation of employees through the Training and Development unit.
- → Ensuring the creation of a harmonious relationship between management and officials and the maintenance of disciplined workforce through the Labour Relations unit.

Set out priorities for the Human Resource Services and the impact during 2015/16 financial year:

- → Review the organisational structure and recall the function back from the Strategic Unit to the Human Resource Section.
- → Develop a Human Resource Plan with accurate information regarding EAP, OHS, Equity, Training and Development and all other personnel related matters.
- Finalise the filling of all critical positions.
- → Capacitate 50% of the remaining finance officials through the municipal finance related skills programs, train 50% of all those officials who have not met the competency requirements as per National Treasury Regulations and 30% of all workforce on identified skills programs during this financial year.

Impact of the priorities as set out by Human Resource Services

By reviewing the organogram the Human Resource section will, among others be able to meet the following objectives:

- Outline clear municipal functions as set out in the strategic plan of the municipality and right-size the human capital accordingly.
- → Align the organisational structure with the IDP in order to have municipal posts that support strategic objectives of the municipality as well as respond to changes that emerge from evolutionary developments and proactive initiatives of the municipality.
- Clarify functions per departments, units and positions needed in order to achieve specific municipal goals.
- Clarify Key Performance Areas and Indicators of all positions on the organogram in order to ensure that they are relevant and serve as much needed support to the main objectives of the municipality in terms of service delivery.

By developing a Human Resource Plan the Human Resources Section will be able to meet the following objectives:

- → Maintain pleasant industrial relations to the optimum level and structure of Human Resources.
- Meet the needs of expansion and diversification programmes.
- Assess surplus or shortage of human capital over a specified period of time.
- → Identify trends in terms of service, injury on duty, sick leave so as to be able to plan remedial programmes to address negative trends.

By capacitation of staff through various training interventions, the Human Resource Section will be able to produce a skilled and competent workforce and will comply with the National Treasury's requirements in relation to competency levels as well as related legislation such as MFMA and Skills Development Act.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2012/13 to 2015/16:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2012/13	421 824	24. 45%
2013/14	458 412	21. 40%
2014/15	478 441	21. 30%
2015/16	527 150	20.48%

The following table reflects the total personnel expenditure trends from 2012/13 to 2015/16:

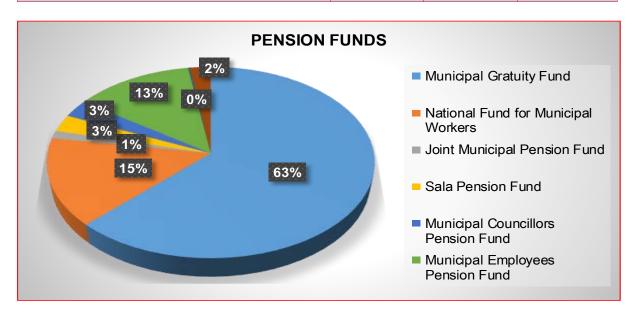


Pension and Medical Aid Funds

Pension Fund

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

PENSION FUND	NUMBER OF MEMBERS				
PENSION FOND	2013/14	2014/15	2015/16		
Municipal Gratuity Fund	1 336	1 266	1 361		
National Fund for Municipal Workers	275	264	326		
Joint Municipal Pension Fund	34	32	28		
Sala Pension Fund	81	74	62		
Municipal Councillors Pension Fund	68	66	64		
Municipal Employees Pension Fund	312	295	280		
Meshawu Pension Fund	4	4	4		
Samwu Pension Fund	56	54	49		
TOTAL	2 166	2 055	2 174		



The Council's actual pension fund expenditure for the 2015/16 financial year towards the employer's contribution was R62 588 435.

Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2015/16 financial year as the employer's contribution to medical aid funds was $\underline{R28\ 693\ 627}$, while the medical aid for pensioners and provision for 2015/16 are $\underline{R9\ 658\ 858}$ which brings the total medical aid fund to $\underline{R38\ 352\ 486}$.

MEDICAL AID FUND	NR OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
Key Health	119	4 769 549
Hosmed	75	2 351 409
Bonitas	357	8 700 372
LA Health	412	8 185 370
Samwu Med	311	4 686 928
Pensioners and provision for contributions	190	9 658 858
TOTAL	1 464	38 352 486



Outstanding Monies

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / employees for the financial year.

ACCOUNTS IN ARREAR AS AT	ARREARS JUNE 2014 (R)	ARREARS JUNE 2015 (R)	ARREARS JUNE 2016 (R)
Councillors*	14 334	34 219	51 462
Employees	835 552	41 720	475 597

^{*} Names of councillors in arrears for more than 90 days can be seen in Note 45 of the financial statements.

Disclosure concerning executive councillors and directors

The following table reflects the remuneration for executive councillors and directors:

DESIGNATION	REMUNE	RATION (PACKA	GE) (R)
DESIGNATION	2013/14	2014/15	2015/16
Executive Mayor	824 959	724 669	724 669
Speaker	647 977	583 908	583 908
Single Whip	608 720	548 719	548 719
MMC's	6 087 200	5 487190	5 487 190
MPAC Chairperson	569 464	513 529	513 529
Councillors X 56	13 884 367	12 992 448	12 992 448
Municipal Manager	1 253 355	1 332 312	1 398 928
Director Finance (CFO)	1 226 595	1 303 872	1 369 066
Director Corporate Governance	1 004 652	1 004 652	-
Director Economic Growth	1 004 652	1 067 946	1 121 344
Director Municipal & Social Services	-	-	-
Director Infrastructure & Utilities	1 004 652	1 004 652	1 121 344
Director Strategic Planning, Monitoring and Control	1 004 652	1 067 946	1 121 344
Director Electrical and Mechanical Engineering	-	-	-

Personnel Administration

DETAIL	2013/14	2014/15	2015/16
Pension	37	41	59
Resignations	30	45	46
Deaths	25	26	39
Other	07	12	0
Injuries on duty	63	56	6
Medical boarding in process	06	05	4
Medical boarding application	07	07	7
Death claims	25	26	59
Posts in Council	2 437	2 480	2 482
Posts filled	2 132	2 019	2 077
Posts vacant	305	461	405



Employee Assistance Programme

DETAIL	2013/14	2014/15	2015/16
New clients	41	46	30
Old / follow-up cases	10	12	10
Closed cases	0	1	0
Total in treatment	180	226	256
In-house counselling	74	93	91
Referrals	2	0	0
Total refused referral to EAP	0	0	0

Occupational Health and Safety

DETAIL	2013/14	2014/15	2015/16
Number of recorded incidents	83	56	60
Number of fatal incidents reported	3	0	0
Number of safety inspections conducted	162	120	120
Number of construction projects inspected	0	0	0
Number of safety audits	2	2	2
Number of public fatal injuries / drowning	0	1	0

EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES							
	2014/15	2015/16					
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
0 - 3	1	3	2	1	33%		
4 - 6	9	11	10	1	9%		
7 - 9	5	6	4	2	33%		
10 - 12	9	10	9	1	10%		
13 - 15	1	1	1	0	0%		
16 - 18	0	0	0	0	0%		
19 - 20	0	0	0	0	0%		
Total	25	31	26	5	16%		



FINANCIAL PERFO	FINANCIAL PERFORMANCE 2015/16: HUMAN RESOURCE MANAGEMENT						
					R'000		
	2014/15		2015	/16			
Details	Actual Original Adjustment Actual Varianc Budget Budget Budget Budget Budget						
Total Operational Revenue	514	493	352	728	32%		
Expenditure							
Employees	5 684	6 741	6 741	5 759	-17%		
Repairs and maintenance	0	13	13	0	0%		
Other	883	1 546	6 251	1 125	-37%		
Total Operational Expenditure	6 567 8 300 7 788 6 884 -21%						
Net Operational Expenditure	-6 053	-7 807	-7 436	-6 156			

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Due to the fact that the municipality is experiencing financial difficulty, the Human Resource section has identified projects that do not have huge financial implications but which will have a huge impact in enhancing service delivery for the municipality.

These are the review of the organogram, the development of an HR plan, the filling of critical vacant positions and the capacitation of staff, with particular emphasis on those staff members who are working with finances. In the last financial year this department reported that an expert from the Office of the Administrator was leading the projects regarding the review of the organogram and the development of the HR plan. Although the draft Organogram was completed, it must still be adopted by council.

The HR plan is 80% completed and will be finalised by end of November 2016. With regards to critical positions, this department could not finalise the appointments due to a moratorium placed by the province. In the previous financial year HR had intended to train all the officials dealing with finances but due to financial constraints, only 50% were trained. Currently the training is continuing and we have planned to train another 50% of all staff dealing with finances by the end of this financial year.

NATIONAL KEY PERFORMANCE INDICATORS

DESCRIPTION		R OF POSI	TIONS
	2013/14	2014/15	2015/16
Number of approved positions on the three highest levels of management	42	44	46
Number of male positions filled on the three highest levels of management	33	28	26
Number of female positions filled on the three highest levels of management	12	9	9

See page 201 – 211 and 213 for detail.



3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Technology has become a need for almost every citizen in the world. On day to day basis, people within different communities use technology either to access a particular service or to help in delivering a service in order to improve lives of either themselves or others.

More and more people use technology, even within our organization.

Understanding the importance of Information Security, and also addressing our outstanding audit queries, the ICT Section, took the deployment of an Antivirus Solution within our organisation as a priority project for 2015/16. However prior to the purchasing of an Antivirus Solution, extensive research had to be done to be able to determine which solution would be more suitable for our organization.

Phase one of this project – the purchasing of the Antivirus Solution and the project planning for deployment was finalized by 30 June 2016. The second phase of this project will be completed during the 2016/17 financial year. The deployment of Active Directory as a security measure on all workstations also had to be addressed. Phase one of this project was to identify which workstations are not on the Active Directory. This phase was successfully completed.

The second phase of the Active Directory project is to add all the workstations in the municipality onto the Active Directory. This phase will be included in the anti-virus project in 2016/17 whereby both the Active Directory and the anti-virus software will be installed on all workstations.

The Finance Directorate was identified as a pilot site in deploying Active Directory, and where it was necessary to upgrade some PC's. Due to the lack of funds, only 24 PC's could have been upgraded in the 2015/16 year. In order to implement a Network upgrading project, extensive budget increase and proper planning will be required. When funds become available this project will be treated as a priority project as more and more users are connecting to the network.

The upgrading of the hardware and software of all cashiers' PC's and printers have been identified as critical as this will enhance service delivery to the community.

During the 2015/16-year phase one of the project was completed as the new PC's and printers was purchased. The second phase of this project – to install the new software and deploy the PC's and printers will be completed in the 2016/17 year.



EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES						
	2014/15		2015	/16		
Job Level	Employees	Posts	Vacancies (as a % of total posts)			
0 - 3	0	1	0	1	100%	
4 - 6	0	0	0	0	0%	
7 - 9	1	1	1	0	0%	
10 - 12	0	0	0	0	0%	
13 - 15	2	2	2	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	3	4	3	1	25%	

FINANCIAL PERFORMANCE 2015/16: ICT SERVICES							
	R'000						
	2014/15 2015/16						
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget		
Total Operational Revenue	193	100	145	200	-31%		
Expenditure							
Employees	2 119	2 220	2 165	1 916	3%		
Repairs and maintenance	4 724	8 440	8 440	3 233	0%		
Other	2 816	4 715	4 719	4 544	0%		
Total Operational Expenditure	otal Operational Expenditure 9 659 15 375 15 324 9 693 0%						
Net Operational Expenditure	-9 466	-15 275	-15 179	-9 493			

3.24 LEGAL AND ADMINISTRATION SERVICES

INTRODUCTION TO LEGAL SERVICES

To ensure a proper legal service to Council and the Municipal Manager as well as the Executive Mayor and the Members of Mayoral Committee and other structures of Council.

Description of the activity

- → Rendering of legal advice to Council and the directorates.
- → Prepare and approve for legality the Council by-laws and other legal documents.
- → Prepare litigation documents.
- → Draft service level agreements
- → Keep the contract register

Key Performance Objective

- Ensure the review, revision and development of by-laws for Council's departments to comply with legislative requirements.
- Ensure effective legal services provision for Council.
- Ensure re-alignment of constraints to improve contract management.

Strategic Objectives

- → Render legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- → Inform and advise staff in a timely manner on court decisions and new laws that affect Council operation.
- Advise and represent Council on litigation matters in a complete and timely fashion.
- Review all ordinances, resolutions as well as contracts/agreements.
- Endeavour to cut down legal cost by handling most legal matters in house.
- Revision of the Council policies and procedures to comply with statutory and legal requirements.
- Provide professional legal advice to the Council and its top management.

Key Issues

- ◆ Settlement of cases and effective outcome of actions with minimal negative impact for Council.
- To effectively protect Council's interest.
- To give effective legal support to all departments.
- → To effectively regulate relationships between Council and clients.
- To effectively promote knowledge on legal matters.
- To ensure effective administrative and institutional systems, structures and procedures.

SERVICE STATISTICS FOR LEGAL SERVICES

INFORMATION	2013/14	2014/15	2015/16
Cases against Council	34	32	13
Cases for Council	46	38	68
Cases won	29	21	0
Cases settled	10	19	2
Cases outstanding	49	62	66
Cases referred to the High Court	31	18	14
TOTAL EXPENDITURE	R6 403 604	R 6 478 329	R12 445 583



EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES						
	2014/15		2015	5/16		
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
0 - 3	3	3	3	0	0%	
4 - 6	11	12	11	1	8%	
7 - 9	6	6	5	1	17%	
10 - 12	9	11	9	2	18%	
13 - 15	12	14	14	0	0%	
16 - 18	3	6	4	2	33%	
19 - 20	23	33	32	1	3%	
Total	67	85	78	7	8%	

FINANCIAL PERFORM	IANCE 2015/16	S: LEGAL AND	ADMINISTRAT	ION SERVICE	S				
R'000									
2014/15 2015/16									
Details	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Variance to Budget				
Total Operational Revenue	312	4 652	5 336	145	-3108%				
Expenditure									
Employees	25 836	11 193	11 193	25 479	56%				
Repairs and maintenance	445	50	50	114	0%				
Other	4 198	58 754	76 587	17 540	-235%				
Total Operational Expenditure	30 479	69 997	87 830	43 133	-62%				
Net Operational Expenditure	-30167	-65 345	-82 494	-42 988					

COMMENT ON THE PERFORMANCE OF LEGAL AND ADMINISRATIVE SERVICES OVERALL

The following highlights need to be mentioned:

- → Legal Services managed to establish a panel of attorneys which will formalise the handing over of instructions to attorneys.
- → Various litigations matters that are for and against Council were referred to attorneys on panel of Council, for proper legal service and protection of Council's legal interests.
- → The contract management was centralised with legal services. The contract register which records all the contract of council was established.

Annual Performance Report 2015/16



TABLE OF CONTENTS

1.	Introduction	129
2.	Institutional Performance Management Process Overview	130
3.	Auditing of Performance Information	130
4.	Remedial Actions for Performance Management	131
5.	Issues Raised on the 2014/15 Auditor-General's Report	131
6.	Annual Performance Information	132
	6.1 Organisational Performance Results	132
7.	Executive Summary	133
8.	Conclusion and Approval by the Municipal Manager	135
9.	IDP and Council Projects	136
10.	Operational Indicators	144
11.	Outcome 9 Indicators from National Government	195
12.	National Key Performance Indicators	203
13.	Report of the Audit Committee	214



1. INTRODUCTION

The 2015/16 Annual Performance report is hereby submitted by the Municipal Manager in terms of section 121 of the Municipal Finance management Act, (56 of 2003) read with the Municipal Systems Act, (32 of 2000) as amended, Section 46(1) and (2) as well as the Municipal Finance Management Act, Circular 11 and 63 on annual reporting.

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

Council adopted the Performance Management Framework and Policy during the 2007/08 financial year. The Performance Management Framework and Policy was reviewed and amended (3rd edition) by Council on 28 July 2015 (CC 51/2015).

The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:-

Annual performance reports

- 46. (1) A municipality must prepare for each financial year a performance report reflecting
 - (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) measures taken to improve performance.
 - (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

This report covers the performance information from 1 July 2015 to 30 June 2016 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development and Plan (IDP).

The report will also reflect on the municipality's performance in terms of the five (5) National Key Performance Areas for local government, which are:



In the year under review the City of Matlosana had seven Directorates:

- Strategic Planning, Monitoring and Control.
- Civil Services and Human Settlements.
- Electrical and Mechanical Engineering.
- Municipal and Environmental Services.
- Corporate Services.
- Macro City Planning and Development.
- Finance.

2. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

During the 2015/16 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The City of Matlosana has continued to maintain the effective operation of the following processes:

- → The SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies.
- → Performance agreements with performance plans were developed, signed and approved by the Administrator as required by the Municipal Performance Regulations, 2006 and section 139(1)(b) of the Constitution.
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.
- → A mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.

3. AUDITING OF PERFORMANCE INFORMATION

The Municipal Systems Act, 2000 as amended, section 45 requires that the results of performance measurements in terms of section 41 (1) (c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

Council's Internal Audit Section is responsible to perform this function. As part of their scope, auditing of the Performance Management System and Information was performed and reports received for each quarter in terms of the following:-

- → Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes and procedures.
- Document the understanding obtained of the performance information system, processes and procedures.
- Document the understanding of risks that exists in the detailed performance management process per selected development priority.

- → Assess, review, test and verify the consistency, measurability, relevance and presentation of planned and reported performance information.
- Review scorecards on a test basis to supporting evidence on a sample basis.
- → Record the system that is used to generate the performance information.
- ◆ Ensure compliance with the requirements of the PMS regulations.
- → Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

On 21 October 2014 Council approved the merger of the Audit and the Performance Audit Committees in line with section 166 (b) of the MFMA (CC 122/2014 dated 21 October 2014).

The new committee commence with effect from 1 November 2014. The committee members are as follows:-

→ Mr MI Motala
 → Mr N Maape
 → Mr C Malemone
 → Ms L Mosoetsa
 - Chairperson
 - Member
 - Member
 - Member

4. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

In order to improve on performance planning, implementation and reporting, the municipality is planning to implement the following actions during the new financial year:

- → Management to discuss monthly progress of the SDBIP as a standing agenda item at top management meetings.
- → The Top Layer and Bottom SDBIP's to be discussed as standing agenda items to gauge performance of each department's challenges as in when they are reported to be resolved to assist the municipality to achieve its objectives.
- → That management keep to the proposed schedule of top management meetings and that portfolio of evidence of each meeting be kept.
- → The accounting officer to review the quarterly performance reports to ensure that quarterly performance targets are achieved as per the SDBIP.
- → That the quarterly reports submitted without portfolio of evidence not be accepted and that the relevant director be informed to comply.
- → That quarterly performance reports be submitted as per dates contained in the Performance Action Plan.
- → That the quarterly performance assessments of performance of managers directly reporting to the Municipal Manager as well as the Municipal Manager's performance be conducted as required by the performance regulations.

5. ISSUES RAISED IN THE 2014/15 AUDITOR-GENERAL'S REPORT

Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, the following matters raised:-

- 25. I did not identify any material findings on the usefulness and reliability of the reported performance information on any of the selected key performance areas of the municipality.
- 26. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected key performance areas, I draw attention to the following matter:
- 27. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for key performance area 1: Service delivery and infrastructure development and key performance area 4: Municipal financial viability and management. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be presented to the Auditor-General for auditing together with the Annual Financial Statements on 31 August 2016.

As part of the report the following areas were addressed:-

- IDP and Capital Projects
- Operational Indicators
- Outcome 9 Indicators of National Government
- National Key Performance Indicators

The Annual Performance Report for the 2015/16 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The achievements, reasons for deviation and planned remedial action are reported by the respective directorates.

Data is supported by the relevant evidence captured and maintained by the directorates (Proof of Evidence – POE's) to support the data captured on the Performance Management System.

6.1 Organisational Performance Results

The table below encapsulates the high-level summary of the municipality's 2015/16 performance results with regard to each of the development priorities:

2015/16 ORGANISATIONAL RESULTS											
Key Performance Indicators	Total No of KPI's	Targets Achieved	Targets Not Achieved	Annual % Met							
Service Delivery and Infrastructure Development	74	55	19	74%							
Municipal Institutional Development and Transformation	51	35	16	69%							
Local Economic Development (LED)	7	6	1	86%							
Municipal Financial Viability and Management	42	20	22	48%							
Good Governance and Public Participation	81	63	18	78%							
TOTAL	255	179	76	70%							



7. EXECUTIVE SUMMARY

The annual performance comparison for the last 3 financial years can be seen in the table below:

2015/16 ORGANISATIONAL RESULTS										
2013/14 2014/15 2015/10										
Annual Overall Performance	61%	71%	70%							
Key Performance Areas										
Service Delivery and Infrastructure Development	59%	73%	74%							
Municipal Institutional Development and Transformation	61%	76%	69%							
Local Economic Development (LED)	58%	83%	86%							
Municipal Financial Viability and Management	46%	42%	48%							
Good Governance and Public Participation	72%	77%	78%							

The following highlights contribute to overall 2015/16 annual performance of the City of Matlosana:

Basic Service Delivery and Infrastructure Development (73% to 74%)

The core function of the municipality is to ensure sustainable services to the community to improve access and thereby reducing backlogs. This component includes: water; sanitation; roads; electricity; waste management; and housing services and free basic services.

- ◆ Installed 8 high mast lights in Khuma extensions 8, 9 and 11 (Wards 31 & 35) (Phase 4) at a cost of R2 000 000
- ▶ Installed 13 high mast lights in Kanana (Wards 20 & 22-27) (Phase 7) at a cost of R3 000 000.
- ◆ Electrified 16 houses in Brakspruit CPA (Phase 1) at a cost of R393 000.
- Opened 1 new solid waste cell on existing solid disposal site in Klerksdorp at a cost of R2 874 849
- Constructed a 102m pedestrian bridge over the N12 between Alabama and Jouberton at a cost of R9 435 286
- ◆ Constructed 1.5 km of main storm-water drainage system as per program in Alabama (Phase 1) at a cost of
- → R4 242 230
- ◆ Constructed 1.5 km of main storm-water drainage system as per program in Khuma (Phase 1) at a cost of
- → R4 242 230
- Graded of 60 km roads in the KOSH as per programme at a cost of R4 500 000
- ◆ Obtaining a minimum standard of 95,35% Blue Drop status (2012 Results)
- Cleaning 15 km of main sewers as per program in the KOSH area
- Purchased 2 RIV (Rapid Intervention Vehicle) response vehicles with equipment at a cost of R2 200 000 and R645 227
- → Repaired 4.3 km of fence at the Faan Meintjes Nature Reserve at a cost of R658 880
- → 100% of households with access to basic level of refuse removal in urban areas

Municipal Institutional Development and Transformation (76% to 69%)

Municipal Institutional Development and Transformation relates on how the institution is capacitated to exercise its duties. Skills development is implemented in accordance with the workplace skills plan, which assists in improving the capacity for staff to deliver services.

- Conducted 120 OHS inspections in Council departments
- Submitted 2016/17 WSP / 2015/16 ATR to LGSETA
- → Identified the skills gaps of the finance and supply chain management personnel and capacitating 100% of level 1 6 employees
- Conducted 4 life skills training session for council employees at a cost of R50 000
- Conducted 2 wellness events for council employees at a cost of R20 000
- → Compiled & distributed 6 internal newsletters to all employees of Council
- → Micro Soft software license renewed at a cost of R2 000 000
- → R4 200 000 spent on Levy Skills Development for 2015/16

Local Economic Development (83% to 86%)

Essentially the municipality aims to identify the competitive advantage of the municipal area and develop strategic initiatives to facilitate the optimisation of investment opportunities to promote sustainable economic growth and employment creation.

- Created 800 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects in urban areas
- ◆ 4 Cooperatives (1 per township) in KOSH area established / resuscitated and functional
- Awarded 22 matric excellency awards to students in KOSH area to further their studies at a cost of R640 000
- Conducted 12 LED consultation meetings with stakeholders
- Conducted 4 SMME workshops to capacitate SMME's

Municipal Financial Viability and Management (42% to 48%)

Effective and adequate financial Management is a priority as the municipality continues towards working to achieve a clean audit. Budget processes have been complied with to ensure credible budgeting. The SCM policy and regulations are adhered to, to ensure compliance. Revenue enhancement continues to raise collections rates on billing and to manage credit control and debt management.

- Answering all audit queries (exception report) received from the Auditor-General within the required time frame
- → Collected R9 278 580 income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission
- → Collected R1 485 000 on traffic fines
- → Increased annual service debtor collection rate (87%)
- 99 % of budgeted revenue for property rates collected
- Collected R849 600 from building plan applications
- → Submitted 12 electronic version of the section 71 report to the NT database

Good Governance (77% to 78%)

On-going local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

- ◆ 2015/16 Mid-Year Assessment Report approved by the Executive Mayor/ Administrator
- → Final 2016/17 SDBIP approved by Executive Mayor/ Administrator

- → 2016/17 Performance Agreements with section 57 employees signed
- ◆ 2015/16 IDP process plan reviewed and tabled by Council
- ◆ 4 Risk management reports submitted to ensure an effective risk management process to the Risk Management Committee
- → 2015/16 Oversight Report tabled before Council
- ◆ 100% SLA signed to all allocated tenders / projects as received from SCM
- → Presented 120 awareness programmes at all KOSH libraries

8. CONCLUSION AND APPROVAL OF BY THE MUNIICPAL MANAGER

During the 2015/16 year the overall performance results currently reflect a 70% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2015/16 percentage is 1% lower as compared to 2014/15 financial period.

The 1% drop in the municipality's performance from 71% to 70% for the 2015/2016 financial year is due to the number of indicators which increased from 219 in 2014/2015 financial year to 255 in the 2015/2016 financial year.

There are significant challenges in respect of the delivery of basic services such as water and sanitation. There is currently a high degree of non-compliance with the regulatory environment governing these services. Roads, refuse and electricity also need attention as does the maintenance of infrastructure.

Budget restructuring will be important to ensure that adequate funding is made available for supplying the basic services which are core functions of the municipality. In addition, there is a need ensure that the grants received in relation to infrastructure development are spent within the time frames and requirement of the grant in order to achieve service delivery undertakings.

In order to deal with its challenges, a Financial Recovery Plan was developed and approved to deal with the financial challenges in a very short period of time. In this way, the future sustainability and viability of the Municipality will be assured.

The municipality will continue to strive and improve on its performance management system, particularly, in the application of the SMART principle. Challenges still exist on accurate and timeously performance information as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

The continuous support rendered by the PMS Unit to the various directorates quarterly, will improve the organisational culture towards performance management so as to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting on performance.

S.G. MABUDA

ACTING MUNICIPAL MANAGER

Date: 31 August 2016

9

IDP and Council Projects (Grant & Council Funded)

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT

IDP, N	/IIG, other Grants	Previous Financial Years Actual Performance		2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
and	Capital Projects	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To op	oen a new solid waste cell in K	lerksdorp to ensure a	safe dispos	al environment for the co	mmunity (MIG ID 22273	37)
PMU1	Number of new solid waste cells on existing solid disposal site in Klerksdorp opened	Orkney & Stilfontein landfill sites rehabilitated R361 811	Earthworks 95% completed and subsoil drainage 95% completed R8 771 930	Opening of 1 new solid waste cell on existing solid disposal site in Klerksdorp at a cost of R2 874 849 by December 2015	Lining of a cell - Project completed R1 657 607		-	-	N/A
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To co	nstruct a pedestrian bridge ov	er the N12 between A	labama and	Jouberton to ensure pul	blic safety	
PMU2	Pedestrian bridge over N12 constructed	New project	Steel and concrete works completed. Project 75% completed R13 312 009	Constructing a 102m pedestrian bridge over the N12 between Alabama and Jouberton at a cost of R9 435 286 by December 2015	102 m Pedestrian bridge over the N12 constructed R4 216 954		-	-	N/A
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To c	ontrol and direct the flow of sto	orm-water and prevent	road erosid	on (MIG ID 218962)		
PMU3	Main storm-water drainage system constructed in Jouberton (Phase 6)	Project 60% completed R2 031 570	Channel 100% trenched, 100% of the layer works completed and concreting 100% done (Phase 5) R2 038 028	Constructing 0.818 km of main storm-water drainage system as per program in Jouberton (Phase 6) at a cost of R4 242 230 by June 2016	0.676km achieved R3 140 751		Learner Contractors having cash flow problems	Learner Contractors have signed Cession Agreements with Suppliers	N/A

DIRECT	DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS										
KEY PE	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
SECTIO	SECTION: PROJECT MANAGEMENT UNIT										
IDP, N	IIG, other Grants		nancial Years rformance	2015/16 Financia	al Year	Rating	Reason for	Measures Taken	2016/17 Financial		
and	Capital Projects	2013/14	2014/15	Annual Target	Actual Performance	Ratilig	Deviation	to Improve Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To c	ontrol and direct the flow of storm-	water and prevent roa	d erosion					
PMU4	Main storm-water drainage system constructed in Kanana (Phase 1)	New project	New project	Constructing 0.82 km of main storm-water drainage system as per program in Kanana (Phase 1) at a cost of R4 242 230 by June 2016	Constructing 0.82 km channel. Project completed R5 057 009		-	-	N/A		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To c	ontrol and direct the flow of storm-	water and prevent roa	d erosion (MIG ID 214079)				
PMU5	Main storm-water drainage system constructed in Khuma (Phase 1)	New project	New project	Constructing 1.5 km of main storm-water drainage system as per program in Khuma (Phase 1) at a cost of R4 242 230 by June 2016	Constructing 1.5 km channel. Project completed R3 699 596		-	-	R7000000 (Phase 8)		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To c	ontrol and direct the flow of storm-	water and prevent roa	d erosion (I	MIG ID214064)				
PMU6	Main storm-water drainage system constructed in Tigane (Phase 1)	New project	New project	Constructing 1.1 km of main storm-water drainage system as per program in Tigane (Phase 1) at a cost of R4 242 230 by June 2016	0.955km achieved R3 662 199		Learner Contractors having cash flow problems	Learner Contractors have signed Cession Agreements with Suppliers	R6273800 (Phase 8)		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To c	ontrol and direct the flow of storm-	water and prevent roa	d erosion (I	MIG ID 214085)				
PMU7	Main storm-water drainage system constructed in Alabama (Phase 1)	New project	New project	Constructing 1.5 km of main storm-water drainage system as per program in Alabama (Phase 1) at a cost of R4 242 230 by June 2016	Constructing 1.5 km channel. Project completed R3 579 714		-	-	R6273800 (Phase 7)		

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS										
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
SECTIO	SECTION: PROJECT MANAGEMENT UNIT									
	IIG, other Grants	Previous Fin Actual Pe		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
and	Capital Projects	2013/14	2014/15	Annual Target	Actual Performance	Katilig	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To up	ograde the road system to ens	ure a better accessib	ility to the co	ommunity (MIG ID 23429	2)		
PMU8	Kilometre of road upgraded at Jabulani street in Jouberton	New project	New project	Upgrading 2.2 km of Jabulani street in Jouberton at a cost of R25 000 000 by June 2016	0.75km achieved R13 615 300		Late commencement of works due to the late appointment of the Contractor	Contractors to work overtime. Regular project monitoring by PMU	R12500000	
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To im	prove bulk water supply in Ala	abama / Manzilpark (F	Phase 3) to	ensure a basic water ser	vice (MIG ID 234292) (N	/IIG ID 214161)	
PMU10	Bulk water supply improved with a water pressure tower for Alabama / Manzilpark (Phase 3)	Construction tender documents completed R216 993	1.5 km bulk pipeline has been achieved Project 65% completed R6 828 340	Elevating one bulk water 2 Mt pressure tower supplied for Alabama / Manzilpark (Phase 3) at a cost of R14 337 022 by June 2016	Pipe work completed and the reservoir is outstanding R9 993 080	•	Insufficient funding led to the moving of reservoir to Phase 3B	Additional funding approved. Reservoir construction to be moved to Phase 3B on the next Financial Year.	R11170413	
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To fin	alize the payment of the upgra	ade the water mains in	n Kanana to	improve the supply capa	acity (MIG ID 213946)		
PMU12	Payment of the water from Midvaal end point in Orkney supplied and the bulk line services to Kanana reservoir finalized	Construction 65% completed (Bud welding completed) R 8 733 475	3.1 Km pipeline constructed. Project completed R13 526 187	Finalizing the payment for the water from Midvaal end point in Orkney supplied and bulk line services (5.5km) to Kanana reservoir installed at a cost of R3 049 116 by September 2015	Payment finalized R2 434 478		-	-	R6765665 Jouberton to Alabama	

DIRECTO	DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS									
KEY PE	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTIO	SECTION: PROJECT MANAGEMENT UNIT									
•	IIG, other Grants	Previous Fin Actual Pe		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
and (Capital Projects	2013/14	2014/15	Annual Target Actual Performance			Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB		crease the capacity of water in		MIG ID 236				
PMU13	Reticulation network upgraded by kilometres of pipe line constructed in the KOSH area	New project	New project	Upgrading of reticulation network in KOSH area by constructing 1.5 km pipe line at a cost of R7 228 069 by June 2016	0.3 Km pipeline constructed R4 385 654		Contractor was only appointed on 1 April 2016 change of pipe diameter in the project	As per Contract completion date is August 2016. Contractor to increase resources	N/A	
NR	INDICATOR	MEASURABLE OB.		stall and upgrade the sewer ne		er (North Ea	ast) to maintain the curre	ent infrastructure (MIG II		
PMU15	Number of km sewer network installed and upgraded	Revised preliminary design report as requested by Human Settlements R333 553	Designing of the construction of sewer network completed R1 507 588	Installing a 1.3km 250mm diameter uPVC main outfall sewer line, 17km 160mm diameter sewer network lines, 5.2 km 110mm diameter house connections and upgrading of existing tralie pump-stations for the sewer network in Khuma Proper (North East) at a cost of R17 092 676 by June 2016	Construction of 2.5km sewer network and upgrading of existing tralle pump-station R15 220 396		-	-	R12021811	
NR	INDICATOR	MEASURABLE OB		all a outfall sewer line in Kana		existing sev	ver network (MIG ID 219	670)		
PMU16	Km outfall sewer line in Kanana Ext 14 installed	New project	85% of the outfall line installed R3 898 542	Installing of 1 995 m outfall sewer line in Kanana Ext 14 at a cost of R610 833 by September 2015	Testing, back filling and commissioning done - project completed R956 290		-	-	R7668929	

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS									
KEY PE	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
SECTIO	N: PROJECT MANA	GEMENT UNIT							
	IIG, other Grants		ancial Years rformance	2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
and (Capital Projects	2013/14	2014/15	Annual Target	Actual Performance		Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OBJ		ograde the mechanical and ele nt infrastructure (MIG ID 2342)		Vestern Out	all sewer pump-station in	n Jouberton (Phase 1) to	maintain the
PMU17	Mechanical and electrical equipment at Western Outfall sewer pump-station in Jouberton (Phase 1) upgraded	Project completed and commissioned R7 465 970	2 Mechanical and electrical equipment in pump stations in Jouberton ward 12 and Tigane upgraded. R88 100	Upgrading of mechanical and electrical equipment at the Western Outfall sewer pump-station in Jouberton (Phase 1) at a cost of R7 864 636 by June 2016	Testing and commissioning - project completed R6 884 552		-	-	R5495532 Oudorp
DIRECT	ORATE: ELECTRICA	AL AND MECHANIC	AL ENGINEERING						
SECTIO	N: ELECTRICAL AN								
NR	INDICATOR	MEASURABLE OBJ		stall high mast lights to better s		ID 214071)			
ELE1	High mast lights installed in Khuma (Phase 4)	New project	New project	Installing 8 high mast lights in Khuma extensions 8, 9 and 11 (Wards 31 & 35) (Phase 4) at a cost of R2 000 000 by June 2016	8 High mast lights installed, reticulated and commissioned R1 445 178		-	-	N/A
NR	INDICATOR	MEASURABLE OBJ		stall high mast lights at hot spo		ice delivery	(MIG ID 214071)		
ELE2	High mast lights installed at hot spot areas in Jouberton (Phase 1)	New project	New project	Installing 6 high mast lights at hot spot areas in Jouberton (Phase 1)(Wards 7 & 14)(as per programme) at a cost of R1 000 000 by June 2016	Erection of 6 steel structures completed, reticulated and commissioned R874 919		-	-	R1 000 000

DIRECT	DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING								
KEY PE	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT								
SECTIO	N: ELECTRICAL AN								
-	IIG, other Grants		ancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
and (Capital Projects	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB	JECTIVE: To in	stall high mast lights to better s	service delivery (MIG	ID 231571)			
ELE3	High mast lights installed in Kanana (Phase 7)	8 High mast lights erected - Electrical reticulation completed R1 679 174	8 High mast lights erected - reticulated and commissioned. R41 960	Installing 13 high mast lights in Kanana (Wards 20 & 22- 27) (Phase 7) at a cost of R3 000 000 by June 2016	13 High mast lights installed, reticulated and commissioned R2 278 554		-	-	N/A
NR	INDICATOR	MEASURABLE OB	JECTIVE: To in	stall a new bulk substation to r	neet electricity demar	nds			
ELE4	Feasibility study of a new Matlosana substation in Manzilpark / Alabama conducted	New project	New project	Conducting an impact assessment study and detailed design at the new Matlosana substation in Manzilpark / Alabama (Ward 3) at a cost of R5 000 000 by June 2016	Impact assessment and design report completed R3 191 711		-	-	N/A
NR	INDICATOR	MEASURABLE OB		ectrify Brakspruit CPA to bette	·				
ELE20	Number of houses in Brakspruit CPA electrified	New project	New project	Electrifying 16 houses in Brakspruit CPA (Phase 1) at a cost of R393 000 by June 2016	16 houses electrified - electrical reticulation and commission R190 516		-	-	R600 000 4 High mast lights

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT **SECTION: LIBRARIES Previous Financial Years** 2015/16 Financial Year **Measures Taken** 2016/17 IDP, MIG, other Grants **Actual Performance** Reason for Rating to Improve **Financial** and Capital Projects Deviation Actual 2013/14 2014/15 **Annual Target Performance** Year Performance **INDICATOR** NR **MEASURABLE OBJECTIVE:** To address shortcomings by improve library services and maintenance Various purchases Shortcomings at Improving shortcomings at Speed up payments R1 100 000 Various purchases Material needs of Slow payments and various libraries and (Summary of and (Summary of various libraries according main and branch SCM delays hamper to the approved project improved according expenditure expenditure libraries spending. Service to the approved available at main available at main business plan at a cost of Providers not being purchased project business library) library) R800 000 by June 2016 (Business plan on paid makes it difficult R380 196 R202 471 POE file) plan to get more R308 134 quotations to spend according to business plans **INDICATOR MEASURABLE OBJECTIVE:** To purchase vehicles for the libraries to address shortcomings NR Purchasing 1 light delivery Vehicles purchased Failed to Request allowance N/A New project New project Tender advertised vehicle and 2 sedans at a according to the purchase vehicle but failed. Only 1 to roll over Grant cost of R600 000 by June for libraries Company tendered from DCATA and approved project business plan 2016 R0 and was not add to Adjustment compliant buget as roll over **INDICATOR** NR **MEASURABLE OBJECTIVE:** To purchase Rapid Intervention Vehicles Rapid Intervention 2 RIV response Purchasing of 2 RIV N/A New project New project Vehicles purchased (Rapid Intervention vehicles Vehicle) response vehicles purchased and with equipment at a cost of delivered FIR4 R2 200 000 and R645 227 R2 379 407 (insurance claim nr 458722-1307300096) (R2 845 227) by June

2016.

10

Operational Indicators

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION	N: WATER SECTION								
	Operational	Previous Fin Actual Pe		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	·	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OBJ		ean reservoirs to comply with le					
WAT7	Number of reservoirs cleaned	44 Reservoirs cleaned R1 111 278	46 reservoirs cleaned R521 855	Cleaning 40 reservoirs in the KOSH area at a cost of R 1 000 000 by June 2016	9 Reservoirs cleaned R908 211		Council is under resourced	To fast track the SLA with Midvaal as part of Water Quality enhancement	24 reservoirs and 12 pressure towers
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To ob	otain at least 95% of the Blue D	Prop status to improve	water quali	ty and water manageme	nt and to comply with le	gislation
WAT8	A minimum standard of 95% Blue Drop status obtained	2013 Blue Drop results not published yet	Monthly compliance documentation submitted	Obtaining a minimum standard of 95% Blue Drop status by June 2016	Remain 95.35%. Blue Drop results not published since 2013		-	-	95%
SECTION	N: SANITATION								
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To ac	ddress main sewer blockages t	o ensure reactive mai	ntenance of	f main sewers throughout	t the year	
	Km of main sewers	7.15 Km main	10 km of main	Cleaning 15 km of main	15.17 km of main		-	-	20 Km
SAN7	cleaned	sewers cleaned	sewers cleaned	sewers as per program in the KOSH area by June 2016	sewers cleaned				
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To im	prove the Green Drop score for	or improved waste wa	ter quality m	nanagement		
SAN8	A minimum standard of 70% Green Drop score obtained	Achieved 39.85% for the Green Drop	Achieved 55.1% for the Green Drop	Obtaining a minimum score of 50% for the Green Drop programme by June 2016	39.85% Results for the 2013 Green Drop score				60%
NR	INDICATOR	MEASURABLE OBJ	To co	nduct risk assessments on WV		reen Drop r	equirements to ensure a	sustainable healthy env	
SAN9	Number of risk assessments on WWTPs in the KOSH area conducted	New project	New project	Conducting risk assessments on 4 WWTPs in the KOSH area at a cost of R 300 000 by June 2016	4 WWTP risk assessments conducted		-	-	2 WWTP risk assessments

DIRECT	DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS										
KEY PE	RFORMANCE AREA	1: BASIC SERVICE	E DELIVERY AND IN	IFRASTRUCTURE DEVEL	OPMENT.						
SECTIO	SECTION: HUMAN SETTLEMENTS										
Operational		Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Sperational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	gistered and deregistered Title	e Deeds to ensure sec	ure tenure	and ownership of houses				
HOU1	Number of Title Deeds de- registered	Only 32 Title Deeds submitted in May 2014	160 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R8 960	De-registering of 18 Title Deeds in Khuma, Kanana and Jouberton (as per register) at a cost of R126 000 by June 2016	0 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R0		Service provider failed to deliver Title Deeds	The Service Provider undertakes to deliver Title Deeds by 30 September 2016	2 267 Register and 18 deregister of Title Deeds		
DIRECTO	ORATE: ELECTRICA	AL AND MECHANIC	AL ENGINEERING								
SECTIO	N: ELECTRICAL AN	D MECHANICAL									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To m	aintain existing infrastructure							
ELE11	Electricity losses eliminated	New project	New project	Eliminating electricity losses from 28% to 19% by June 2016	24.7%		Anticipated intervention programme could not realize due to financial constraints	Intervention program planned to be implemented from July 2016	21% to 19%		
ELE12	Percentage of low voltage complaints resolved	New project	87% (1 304 Complaints received / 1 503 Complaints resolved)	Resolving at least 90% of all low voltage complaints in the KOSH area (telephonic, written and verbal) received by June 2016	94% (7 202 Complaints received / 6 770 Complaints resolved)		-	-	90%		

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: ELECTRICAL AND MECHANICAL

	Operational		nancial Years rformance	2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Katilig	Deviation	Performance	Financial Year
NR	INDICATOR	MEASURABLE OB	JECTIVE: To m	aintain existing infrastructure					
ELE13	Percentage of medium voltage forced interruptions complaints resolved	315 Complaints attended to	100% Interruptions resolved (270 Interruptions received / 270 Interruptions resolved)	Resolving at least 100% of all medium voltage forced interruptions in the KOSH area by June 2016	100% Interruptions resolved (354 Interruptions received / 354 Interruptions resolved)		-	-	100%
ELE14	Percentage of street lights complaints resolved	4 459 Complaints attended to	63% complaints resolved (2 250 complaints received / 1 408 complaints resolved)	Resolving at least 60% of all street lights complaints in the KOSH area (telephonic, written and verbal) received by June 2016	90% complaints resolved (2 623 complaints received / 2 357 complaints resolved)		-	-	80%
ELE15	Percentage of high mast light complaints resolved	121 Complaints attended to	72% complaints resolved (78 complaints received / 56 complaints resolved)	Resolving at least 75% of all high mast lights complaints in the KOSH area (telephonic, written and verbal) received by June 2016	79% complaints resolved (121 complaints received / 96 complaints resolved)		-	-	80%
ELE16	Percentage of traffic control signals complaints resolved	103 Complaints attended to	100% complaints resolved (180 complaints received / 180 complaints resolved)	Resolving at least 100% of all traffic control signals complaints in the KOSH area (telephonic, written and verbal) received by June 2016	100% complaints resolved (103 complaints received / 103 complaints resolved)		-	-	100%

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING										
KEY PE	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL AND MECHANICAL										
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year	
NR	NR INDICATOR MEASURABLE OBJECTIVE: To investigate possible fraud and illegal tampering to Council's assets									
ELE17	Percentage of electricity meter tampering investigations complaints resolved	121 Complaints attended to	100% complaints resolved (705 complaints received / 705 complaints resolved)	Resolving at least 70% of all electricity meter tampering investigations, as received from finance by June 2016	77% complaints resolved (278 complaints received / 214 complaints resolved)		-	-	90%	
DIRECT	ORATE: MUNICIPAL	. AND ENVIRONME	NTAL SERVICES							
SECTIO	N: PARKS AND CEN	IETERIES								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	pair the current fence of natur	e reserve to contain g	ame				
PAR2	Km of fence repaired at Faan Meintjes Nature Reserve	New project	Not achieved. Specifications have been sent to Supply Chain on 18 February 2015	Repairing 4.3 km of fence at the Faan Meintjes Nature Reserve at a cost of R 658 880 (ring-fenced) by June 2016	4.3 km fence completed R656 577	(1)	-	-	4.26 Km R650 000	
SECTIO	N: FIRE AND DISAS	TER MANAGEMEN	Т							
NR	INDICATOR	MEASURABLE OB	JECTIVE: To a	there to Fire Codes and Regu	lations and comply wit	th fire codes	(SANS) and regulations			
FIR1	Number of fire inspections conducted	748 Fire inspections conducted	914 General fire inspections conducted	Conducting 800 general fire inspections according to programme in the KOSH area by June 2016	847 General fire inspections conducted		-	-	850 fire inspections	

DIRECT	DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PE	RFORMANCE AREA	1: BASIC SERVICE	DELIVERY AND IN	IFRASTRUCTURE DEVEL	OPMENT.						
SECTIO	SECTION: FIRE AND DISASTER MANAGEMENT										
Operational		Previous Fin Actual Pe	ancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve Performance	2016/17 Financial		
		2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation		Year		
NR	INDICATOR	MEASURABLE OB.	IECTIVE: To pr	omote fire safety							
FIR3 FIR2	Number of ward sessions conducted Number of fire safety campaigns conducted at schools	13 Fire prevention information sessions conducted 11 Fire safety campaigns conducted	12 Fire prevention information sessions conducted 12 Fire safety campaigns conducted	Conducting 12 fire prevention information sessions according to programme in identified wards by June 2016 Conducting 4 fire safety campaigns for schools in the KOSH area according to programme by June 2016	12 Fire prevention information sessions conducted 6 Fire safety campaigns conducted		-	-	12 Fire prevention information sessions 4 Fire safety campaigns		
SECTIO	N: TRAFFIC AND SA	FETY									
NR	INDICATOR	MEASURABLE OB.	IECTIVE: To pr	omote road safety							
TRA1	Number of (K78) multi road blocks	15 (K78) multi road blocks conducted	12 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the KOSH by June 2016	15 (K78) multi road blocks conducted		-	-	15 (K78) multi road blocks		

DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: FINANCE AND BUDGET

	Operational		nancial Years rformance	2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ef	fectively do revenue collection	to ensure sound final	ncial matters	5		
BUD19	R value income collected from electricity sales	New project	R435 445 640 92.16%	Collecting R540 000 000 income from electricity sales (conventional meters) by June 2016	R493 768 453		None processing FBS journals	Process journals	R593661480
BUD20	R value income collected from pre- paid electricity sales	New project	R42 264 457 90.89`%	Collecting R40 000 000 income from pre-paid electricity sales by June 2016	R14 664 315		More consumers make use of power cards due to new system	Journal correction wrong debt on vote	R49319450
BUD21	R value income collected from power cards electricity sales	New project	R41 471 627 86.79%	Collecting R70 000 000 income from power cards electricity sales by June 2016	R70 034 555		-	-	R71511000
BUD22	R value income collected from water sales	New project	R272 530 661 66.06%	Collecting R380 000 000 income from water sales (conventional meters) by June 2016	R314 535 040		Free Basic Services journals to be processed by year end	Process Free Basic Services Journals	R441721250

DIRECTORATE: MUNICIPAL MANAGER											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION						
SECTION: OFFICE OF THE MUNICIPAL MANAGER											
	Operational	Previous Fir Actual Pe	ancial Years rformance	2015/16 Financial Year		Rating	Reason for	Measures Taken	2016/17 Financial		
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year		
NR	INDICATOR	MEASURABLE OB	IECTIVE: To co	onducted quarterly reviews to d	comply with legislation						
MM8	4 Quarterly reviews with section 56 employees conducted	New project	Not achieved	Conducting 4 quarterly reviews with section 56 employees by June 2016	1st & 2nd quarter assessments conducted		No assessments done due to a hectic schedule because of municipal elections	3 rd Q to be conducted by end of July 2016 and 4 th on receival of AG report	4 Quarterly assessments		
SECTIO	SECTION: INTERNAL AUDIT										
NR	INDICATOR	MEASURABLE OB	IECTIVE: To re	port on outstanding disclaimer	and qualifications to	ensure sour	nd financial management				
IA3	Number follow-up audit reported to review resolutions on outstanding disclaimer and qualifications on the AG's report and Internal Auditor's findings	2 Internal follow-up reports compiled, but no audit reviews conducted	Not achieved	Reporting with 1 follow-up audit to review resolutions on outstanding disclaimer and qualifications on the Auditor General's report by June 2016	1 Follow-up report		-	-	4 Progress reports		
NR	INDICATOR	MEASURABLE OB	IECTIVE: To co	ontinue with Professional Deve	lopment to enhance k	nowledge, s	skills and other competen	cies of Internal Audit sta	aff		
IA7	2016/17 Continuous Development Program for approval by Director Strategic Planning, Monitoring and Control	2014/15 Continuous Development Program developed	Approved 2015/2016 continuous development plan approved by the Audit Committee on the 30 June 2015	Develop the 2016/17 Continuous Development Program for approval by the Municipal Manager by June 2016	Continuous Development Program not approved yet		Continuous Development Program prepared and submitted to Training Unit, and awaiting approval	A follow-up will be made with the office of Municipal Manager	N/A		

DIRECTORATE: MUNICIPAL MANAGER											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION						
SECTION: INTERNAL AUDIT											
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year		
NR	NR INDICATOR MEASURABLE OBJECTIVE: To conduct quality assurance improvement programme to comply with legislative requirements										
IA8	Internal quality assurance and improvement programme performed	1 Internal quality assurance performed	Quarterly quality assurance assessment report achieved	Performing 1 internal quality assurance and improvement programme by June 2016	Assessment Report done		-	-	Assessment Report		
DIRECT	ORATE: STRATEGIO	C PLANNING, MON	TORING AND CON	TROL							
SECTIO	N: DIRECTOR STRA	TEGIC PLANNING.	MONITORING AND	CONTROL							
NR	INDICATOR	MEASURABLE OB		sure that the quality of the info	ormation is on an acco	eptable stand	ard				
DSPMC2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2015/16 Annual Report		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	sure that the programmes and	d projects of the direct	torate are inc	orporated				
DSPMC3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs		

Operational Actual Performance Reason for Towns to	DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL										
Previous Financial Years Actual Performance 2015/16 Financial Year Rating Reason for Deviation Performance 2013/14 2014/15 Annual Target Performance P											
Operational Actual Performance 2013/14 2014/15 Annual Target NR INDICATOR MEASURABLE OBJECTIVE: We project New pr	SECTION: DIRECTOR STRATEGIC PLANNING, MONITORING AND CONTROL										
NR INDICATOR MEASURABLE OBJECTIVE: New project New proj	easures Taken 2016/17 to Improve Financial										
New project	Performance Year										
Weak of all identified risks managed by implementing corrective measures New project New project New project Managing 100% of all identified high risks by implementing corrective measures by June 2016 Resolved Resolved New project New project Providing the directorate's Credible SDBIP Provided	tect the municipality against legal										
Directorate's SDBIP New project New project Providing the directorate's Credible SDBIP	90%										
inputs provided SDRIP inputs before the inputs provided											
	Credible 2017/18 SDBIP inputs										
SECTION: RISK MANAGEMENT											
NR INDICATOR MEASURABLE OBJECTIVE: To conduct risk assessment to ensure good governance and to comply with legislation											
Risk Assessment conducted on emerging risks Risk Assessments Conducted Assessments Conducted Conducting 2 Risk Assessments with Council departments on emerging risks by June 2016 Conducted Conducted Conducted Conducted Conducting 2 Risk Assessments Conducted Conducted Conducted Conducted Conducted Conducted Conducted Conducted Conducted	4 Risk Assessments										

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS									
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION				
SECTIO	N: DIRECTOR CIVIL	SERVICES AND H	JMAN SETTLEMEN	TS					
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial
•	Operational	2013/14	2014/15	Annual Target	Performance		Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure that the quality of the info	ormation is on an acce	eptable stan	dard		
DSCHS2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2015/16 Annual Report input
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure that the programmes and		torate are inc	corporated		
DSCHS3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure that the all the directorate		or			
DSCHS4	Directorate's SDBIP inputs provided before the draft SDBIP is submitted	New project	New project	Providing the directorate's SDBIP inputs before the draft SDBIP is submitted by 25 May 2016	Credible SDBIP inputs provided		-	-	Credible 2017/18 SDBIP inputs
NR	INDICATOR	MEASURABLE OB		reduce risk areas and protect t al actions	he municipality agains	st legal actio	nsTo reduce risk areas a	and protect the municipa	lity against
DSCHS5	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	92% (12 received /11 mitigated)		Under resourced	The Department to consider funding during adjustment in the next financial year	90%

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING										
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	RMATION					
SECTION: DIRECTOR ELECTRICAL AND MECHANICAL ENGINEERING										
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
`	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To er	nsure that the quality of the info		eptable stan	dard			
DEME2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2015/16 Annual Report inputs	
NR	INDICATOR	MEASURABLE OBJ		nsure that the programmes and		torate are inc	corporated			
DEME3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs	
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To er	sure that the all the directorate	es KPI's are catered f	or				
DEME4	Directorate's SDBIP inputs provided before the draft SDBIP is submitted	New project	New project	Providing the directorate's SDBIP inputs before the draft SDBIP is submitted by 25 May 2016	Credible SDBIP inputs provided		-	-	Credible 2017/18 SDBIP inputs	
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To red action	duce risk areas and protect the is	e municipality against	legal actions	sTo reduce risk areas an	d protect the municipalit	y against legal	
DEME5	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	80% (10 received / 8 mitigated)		Lack of security, competency and specialized equipment	Funds was requested to improve security and vehicle maintenance	90%	

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION					
SECTIO	SECTION: DIRECTOR MUNICIPAL AND ENVIRONMENTAL SERVICES									
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Nating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that the quality of the info		eptable stan	dard			
DMES2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2015/16 Annual Report inputs	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that the programmes and		torate are in	corporated			
DMES3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs	
NR	INDICATOR	MEASURABLE OB	JECTIVE : To e	nsure that the all the directorate	es KPI's are catered f	or				
DMES4	Directorate's SDBIP inputs provided before the draft SDBIP is submitted	New project	New project	Providing the directorate's SDBIP inputs before the draft SDBIP is submitted by 25 May 2016	Credible SDBIP inputs provided		-	-	Credible 2017/18 SDBIP inputs	
NR	INDICATOR	MEASURABLE OB	JECTIVE : To re	duce risk areas and protect the	municipality against	legal actions	sTo reduce risk areas an	d protect the municipalit	y against legal	
DMES5	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	27% (15 received / 4 mitigated)		Administrative issues and moratorium	Financial assistance, Uplifting of moratorium	90%	

DIRECT	ORATE: MUNICIPAL	AND ENVIRONME	NTAL SERVICES									
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION							
SECTIO	SECTION: PARKS AND CEMETERIES											
	Operational		nancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial			
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ac	dvance aviation facilities to the	community and to co	mply with le	gislation					
CEM1	Annual airport license renewed	PC Pelser Airport license renewed. R3 720	PC Pelser Airport license renewed. R3 910	Renewing the annual PC Pelser Airport license to obtain authority to operate an airport at a cost of R5 000 by June 2016	PC Pelser Airport license renewed R4 310		-	-	PC Pelser Airport license renewed. R5 000			
DIRECT	ORATE: FINANCIAL	. SERVICES										
SECTIO	N: CHIEF FINANCIA	L OFFICER										
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure an effective external aud	it process (Exception	report)						
FIN1	% Of external audit queries answered within required time frame	New project	New project	Answering all audit queries (exception report) received from the Auditor-General within the required time frame by December 2015	85% (164 received / 139 answered)		Audit has been concluded and Audit report issued	N/A	100%			
NR	INDICATOR	MEASURABLE OB		solve prior year's audit qualific		eport (Audit						
FIN2	Nr. of prior year's audit qualifications resolved from the Auditor-General	0 Qualifications resolved	0 Qualifications resolved	Resolving qualification numbers 6, 8, 11 and 12 on the prior year's audit Auditor-Generals report by June 2016	3 Qualifications resolved 85%		Qualification 12 – Irregular expenditure could not be resolved.	Bi weekly meetings held with all level 1- 3 managers to resolve man rep issues	Resolving qualification numbers 7, 8 and 9			

DIRECT	DIRECTORATE: FINANCIAL SERVICES											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	RMATION							
SECTIO	SECTION: CHIEF FINANCIAL OFFICER											
	Operational		nancial Years rformance	2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial			
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To en	nsure that the quality of the info		eptable stan	dard					
FIN4	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2016/16 Annual Report inputs			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To en	nsure that the programmes and	d projects of the direct	torate are inc	corporated					
FIN5	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs			
NR	INDICATOR	MEASURABLE OB	JECTIVE : To en	nsure that the all the directorate	es KPI's are catered f	or						
FIN6	Directorate's SDBIP inputs provided before the draft SDBIP is submitted	New project	New project	Providing the directorate's SDBIP inputs before the draft SDBIP is submitted by 25 May 2016	Credible SDBIP inputs provided		-	-	Credible 2017/18 SDBIP inputs			
NR	INDICATOR	MEASURABLE OB	JECTIVE : To re action	duce risk areas and protect thens s	e municipality against	legal actions	sTo reduce risk areas an	d protect the municipalit	y against legal			
FIN7	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	45.45% (11 received / 5 mitigated)		Due to Finance Department being a high risk area, risks remain high risk	Security measures are maintained	90%			

DIRECT	ORATE: FINANCIAL	SERVICES											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION								
SECTIO	SECTION: FINANCE AND BUDGET OFFICE												
	Previous Financial Years Actual Performance 2015/16 Financial Year Rating Reason for Rating Reason for To Improve To Im												
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year				
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	enew the MicroSoft software lie	cense to comply with	legislation							
ICT1	MicroSoft software license renewed	Software audited & licensed R2 717 386	MicroSoft software license renewed. R2 284 341	Renewing of the MicroSoft software license at a cost of R 2 000 000 by September 2015	MicroSoft software license renewed. R688 872		-	-	MicroSoft software license renewed R2 000 000				
	ORATE: CORPORAT N: DIRECTOR CORF												
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure that the quality of the info	ormation is on an acc	eptable stand	ard						
DCS2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2016/17 Annual Report inputs				
NR	INDICATOR	MEASURABLE OB	JECTIVE: To en	nsure that the programmes and	d projects of the direc	torate are inc	orporated						
DCS3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs				

DIRECT	DIRECTORATE: CORPORATE SERVICES										
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	RMATION						
SECTIO	N: DIRECTOR CORP										
	Operational		nancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
•	Sperational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB		sure that the all the directorate		or					
	Directorate's SDBIP	New project	New project	Providing the directorate's	Credible SDBIP		-	-	Credible		
DCS4	inputs provided			SDBIP inputs before the	inputs provided	73			2017/18		
ă	before the draft			draft SDBIP is submitted					SDBIP inputs		
	SDBIP is submitted		Toro	by 25 May 2016 duce risk areas and protect the	a municipality against	logal action	aTo raduos riak arasa an	d protect the municipali	ty against logal		
NR	INDICATOR	MEASURABLE OB	JECTIVE :		e municipality against	legal action	s to reduce risk areas an	a protect the municipal	ty against legal		
DCS5	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	86.92% (13 received / 10 mitigated)		SCM process in progress to attend to repair & maintenance of OH & S hazards	To be corrected on approval of SCM finalization	90%		
SECTIO	N: OCCUPATIONAL	HEALTH AND SAF	ETY	•		l.					
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	nduct OHS inspections to ens	ure legal compliance	and a safe v	vorking environment				
OHS1	Number of OHS inspections in Council departments conducted	120 OHS inspections conducted	120 OHS inspections conducted	Conducting 120 OHS inspections in Council departments by June 2016	122 OHS inspections conducted	(1)	-	-	120 OHS inspections		
NR	INDICATOR	MEASURABLE OB		nduct OHS audits to ensure th		rrected acc	ording to the Act				
OHS2	Number OHS audits conducted	2 OHS Audits conducted	2 OHS Audits conducted	Conducting 2 OHS Audits by June 2016	2 OHS Audits conducted		-	-	2 OHS Audits		

DIRECT	ORATE: CORPORAT	TE SERVICES										
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION							
SECTIO	SECTION: SKILLS DEVELOPMENT											
	Previous Financial Years Actual Performance 2015/16 Financial Year Rating Reason for to Improve Financial											
·	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year			
NR	INDICATOR	MEASURABLE OB		prove the Workplace Skills Pl		slation						
SKIL5	Annual WSP / ATR submitted to LGSETA	WSP & ATR 2014/15 document is submitted to LGSETA on 30 April 2014	WSP & ATR 2015/2016 submitted electronically on 30 April 2015	Submitting 2016/17 WSP / 2015/16 ATR to LGSETA by April 2016	2016/2017 WSP and ATR 2015/2016 document was submitted on the 30th April 2016		-	-	2017/18 WSP / 2016/17 ATR submitted			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To a	approve the Workplace Skills I	Plan to comply with le	gislation						
SKIL6	Annual Employment Equity Report submitted to the Department of Labour	EEP 2013/2014 submitted electronically to Department of Labour in January 2014	2013/14 EE report submitted to Department of Labour on 14 January 2015	Electronically submitting the 2014/15 Employment Equity Report to Department of Labour by February 2016	2014/15 EE report submitted to the Department of Labour on 19 January 2016		-	-	2016/17 EE report submitted to DoL			
NR	INDICATOR	MEASURABLE OB		onduct Employment Equity Co		tings to com	ply with legislation and ir	nplementation of EE pla				
SKIL7	Number of EECF meetings conducted	3 EECF meetings conducted	1 EECF consultative meeting conducted	Conducting 4 EECF consultative meetings by June 2016	4 EECF consultative meetings conducted		-	-	11 EECF meetings			

DIRECTO	DIRECTORATE: CORPORATE SERVICES										
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	RMATION						
SECTIO	N: SKILLS DEVELO	PMENT									
	Operational	Previous Fin Actual Pe		2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To ide	entify skills gaps to comply wit	h legislation						
SKIL8	Number of skills gaps of finance and supply chain management personnel identified and employees capacitated	New project	New project	Identifying the skills gaps of the finance and supply chain management personnel and capacitating 100% of level 1 - 6 employees by June 2016	Currently there are 8 Officials from Finance Department undergoing MFMP Training Programme		-	-	Skills gaps identified - Corporate & Mun & Environmental		
SECTIO	N: EMPLOYEE ASSI	STANCE PROGRAI	ИМЕ			1					
NR	INDICATOR	MEASURABLE OBJ		induct training to create life ski		st employees	3				
EAP1	Number of training sessions conducted	4 Life skills training sessions conducted	4 Life skills training sessions conducted	Conducting 4 life skills training session for council employees at a cost of R 50 000 by June 2016	4 life skills training session (No financial implications, was an in-house training)		-	-	4 Life skills training session		
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To co	nduct wellness events to crea		t employees					
EAP2	Number of wellness events conducted			Conducting 2 wellness events for council employees at a cost of R 20 000 by June 2016	2 Wellness events (No financial implications, was an in-house event)		-	-	2 Wellness events R 20 000		

DIRECT	DIRECTORATE: CORPORATE SERVICES											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	LOPMENT AND TRANSFO	ORMATION							
SECTION: LABOUR RELATIONS												
(Operational	Previous Fin Actual Pe	ancial Years rformance	2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial			
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year			
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To ho	old LLF meetings to ensure ind	lustrial harmony							
LR1	Number of LLF meetings conducted			Convening 11 LLF meetings by June 2016	7 LLF meetings convened		LR Unit prepared and issued invitations for meetings, but the meeting did not form a quorum	N/A	11 LLF meetings			
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To co	nduct training sessions on inst	itution of disciplinary a	action to ens	sure effective conclusion	of disciplinary matters				
LR2	Training sessions for post level 1 - 5 employees on institution of disciplinary action conducted	2 Training sessions conducted	2 Training sessions conducted	Conducting 2 training sessions for post level 1 - 5 employees on the collective agreement on disciplinary procedures by June 2016	1 Training session conducted		The collective is not in place and Unit is currently using the Labour Relations Act	SALGA and Labour are about to conclude the negotiations, which will give the document to refer to during training	2 Training sessions			
SECTIO	N: POLITICAL OFFIC	ES										
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	omply with MSA 32 of 2000 Ch	apter 6 sec 42 to eval	uate on serv	vice delivery rendered by	council				
SPE2	Number of public satisfaction reports submitted to council			Submitting 4 public satisfaction reports to council to identify and evaluate service delivery within KOSH area by June 2016	A survey was conducted and report compiled but still to be submitted to council		Only matters that relates to council transitional arrangements were included in the council agenda	The report will be submitted in the next council meeting of the new council	4 Public satisfaction reports			

DIRECT	DIRECTORATE: MACRO CITY PLANNING & DEVELOPMENT											
KEY PE	RFORMANCE AREA	2: MUNICIPAL INS	TITUTIONAL DEVE	ELOPMENT AND TRANSFO	ORMATION							
SECTIO	SECTION: DIRECTOR MACRO CITY PLANNING & DEVELOPMENT											
	Operational		ancial Years rformance	2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial			
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year			
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To e	nsure that the quality of the info	ormation is on an acce	eptable stan	dard					
DMCPD2	Directorate's annual report input provided before tabling of the draft 2014/15 annual report	New project	New project	Providing the directorate's 2014/15 annual report input before the draft annual report is tabled by August 2015	Credible annual report inputs provided		-	-	Credible 2015/16 Annual Report inputs			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that the programmes and	d projects of the direct	torate are inc	corporated					
DMCPD3	Directorate's 2016/17 IDP inputs provided before the draft budget is tabled	New project	New project	Providing the directorate's 2016/17 IDP inputs before the draft budget is tabled by 26 March 2016	Credible IDP inputs provided		-	-	Credible 2017/18 IDP inputs			
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that the all the directorate	es KPI's are catered f	or						
DMCPD4	Directorate's SDBIP inputs provided before the draft SDBIP is submitted	New project	New project	Providing the directorate's SDBIP inputs before the draft SDBIP is submitted by 25 May 2016	Credible SDBIP inputs provided		-	-	Credible 2017/18 SDBIP inputs			
	INDICATOR	MEASURABLE OB	JECTIVE: To re	educe risk areas and protect the	e municipality against	legal actions	sTo reduce risk areas an	d protect the municipalit	y against legal			
DMCPD5	% of all identified risks managed by implementing corrective measures	New project	New project	Managing 100% of all identified high risks by implementing corrective measures by June 2016	86% (14 received / 12 mitigated)		Resource limitations	Target to be reduced in 2016/17	90%			

community

DIRECTORATE: MACRO CITY PLANNING & DEVELOPMENT KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION **SECTION: COMMUNICATION AND MARKETING Previous Financial Years** 2015/16 Financial Year **Measures Taken** 2016/17 **Actual Performance** Reason for Rating **Operational** to Improve **Financial** Actual Deviation 2013/14 2014/15 **Annual Target Performance** Year Performance NR **MEASURABLE OBJECTIVE: INDICATOR** To distribute internal & external newsletters to ensure transparency with Council affairs Number of internal Compiling & distributing 6 6 Internal 6 Internal 4 Internal 6 Internal newsletters newsletters electronic newsletters newsletters internal newsletters to all COM3 distributed distributed distributed compiled & employees of Council by communiqués distributed to all June 2016 employees of Council Compiling & Distributing 6 6 External Number of external 10 External 8 External 1 External Two external HR could not newsletters newspapers newspapers external newsletter newspaper newsletters were not advertise the vacant publications compiled & regarding Council affairs to distributed distributed distributed approved and the position of Media COM4 distributed the community June 2016 newsletter was not Relations Officer regarding Council published. The media because of the affairs to the relation position still moratorium

vacant

DIRECTORATE: CORPORATE SERVICES											
KEY PE	RFORMANCE AREA	3: LOCAL ECONO	MIC DEVELOPMEN	т							
SECTION: POLITICAL OFFICES											
	Operational		nancial Years rformance	2015/16 Financ	5/16 Financial Year		Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To av	ward matric excellency awards		area to assi	st with education				
EM2	Number of matric excellency awarded to students in KOSH area to assist with education	20 excellence awards. Monitoring not done yet	Monitoring was done telephonically Institutions confirmed that students are still at the Institutions	Awarding 22 matric excellency awards to students in KOSH area to further their studies at a cost of R640 000 by March 2016	Awards awarded R 640 000		-	-	Awarding 22 matric excellency awards R640000		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To av	ward and monitor bursaries and	d awards to students	in KOSH are		n			
EM3	Number of financially needed students in the KOSH area awarded and monitored	31 Bursaries awards. Monitoring not done yet R835 587	Monitoring was done telephonically Institutions confirmed that students are still at the Institutions	Awarding and monitoring financially needy students in the KOSH area to further their studies at a cost of R 860 000 by June 2016	55 Financially needed students awarded R682 500		No monitoring done due to late payment of bursaries to institutions	Monitoring will be done in the next quarter and progress reports will be submitted to the next ordinary council sitting	R860000		
DIRECT	ORATE: MACRO CIT	TY PLANNING AND	DEVELOPMENT								
SECTIO	N: LOCAL ECONOM	IC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	onduct consultations meeting to		ith all releva	nt stakeholders				
LED4	Number of LED consultation meetings conducted with stakeholders	12 LED consultation meetings conducted	12 LED consultation meetings conducted	Conducting 12 LED consultation meetings with stakeholders by June 2016	12 LED consultation meetings conducted		-	-	12 LED consultation meetings		

DIRECT	ORATE: MACRO CI	TY PLANNING AND	DEVELOPMENT							
KEY PE	RFORMANCE AREA	3: LOCAL ECONO	MIC DEVELOPMEN	Т						
SECTIO	ECTION: COMMUNICATIONS AND MARKETING									
	Operational		nancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Deviation		to Improve Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	hance the image of the city a	nd to ensure an inform	ned commun	ity			
2	R value spent on New project New project			Spending R100 000 on	Branding material		-	-	R100000	
COM5	publicity			publicity on outdoor	purchased.					
ပ				advertising by June 2016	R100 000					

DIRECT	RECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS											
KEY PE	KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT											
SECTIO	SECTION: TOWN-PLANNING AND BUILDING SURVERY											
	Previous Financial Years Actual Performance 2015/16 Financial Year Reason for Measures Taken 2016/17											
	Operational 2013/14 2014/15			Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Financial Year			
NR	INDICATOR	MEASURABLE OB	JECTIVE : To o	ollect revenue to ensure sound	financial matters							
TBS1	R value income collected from building plan application	R782 817	R746 813	Collecting R849 600 from building plan applications by June 2016	R1 006 901		-	-	R900000			
TBS2	R value income collected from land use / development applications	New project	R113 902	Collecting R150 000 from land use / development applications by June 2016	R110 128		Rely on land use or development applications received	N/A	R159000			

DIRECT	ORATE: MUNICIPAL	. AND ENVIRONME	NTAL SERVICES						
KEY PE	RFORMANCE AREA	4: MUNICIPAL FIN	ANCIAL VIABILITY	& MANAGEMENT					
SECTIO	N: SPORT AND REC	REATION							
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ef	fectively do revenue collection	to ensure sound finar	ncial matters	5		
SP04	R value income collected from rental agreements sport grounds	R70 983	R99 872	Collecting R70 000 income from rental agreements of sport grounds by June 2016	R33 937		Only 8 contracts received from Legal Services	Money will be collected once all Lessees have signed.	R160 000
SECTIO	N: LICENSING								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ef	fectively do revenue collection	to ensure sound finar	ncial matters	5		
LIC1	R value income collected from driver's licenses	R5 868 689	R5 820 760	Collecting R6 500 000 income from driver's licenses (excluding Prodiba fees) by June 2016	R6 320 016 Applications for driver's licenses 1 630 Renew driver's licenses 2 878 and learner's licenses 2 393 application for PRDP 748		Target achieved but vat due have an influence.	Inflow of members for drivers licenses cannot be escalated	R6 890 000
LIC2	R value income collected from vehicle registration and licensing / renewals	R10 337 606	R9 885 896	Collecting R9 278 580 income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission by June 2016	R10 370 251 9 113 Registrations an 20 178 vehicle renewals		-	-	R9 835 294
FIC3	R value income collected from motor vehicle testing	R830 436	R501 792	Collecting R454 270 income from Motor Vehicle Testing by June 2016	R611 634 254 Applications for test and 371 vehicles weigh		-	-	R481 527

DIRECT	DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PE	RFORMANCE AREA	4: MUNICIPAL FIN	ANCIAL VIABILITY	& MANAGEMENT							
SECTION: LICENSING											
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ef	fectively do revenue collection	to ensure sound finar	ncial matters	3				
LIC4	R value income collected from businesses, hawkers and stands	R414 045	R467 546	Collecting R474 490 income from businesses, hawkers and stands by June 2016	R424 900 32 Applications for business licences. 1 Applications for hawker. 58 Rental of stands		One inspector on sick leave	Needs to do more operations with other departments.	R359 670		
SECTIO	N: TRAFFIC AND SA	FETY									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	ollect revenue to ensure sound	financial matters						
TRA3	R value income collected from outstanding traffic fines	New project	New project	Collecting R1 485 000 on traffic fines by June 2016	R1 547 170		-	-	R6 000 000		
TRA4	R value income collected from warrants of arrest	New project	New project	Collecting R120 000 on warrant of arrests by June 2016	R477 250		-	-	R1 300 000		
TRA5	R value income collected from special services	New project	R149 981	Collecting R150 000 on special services by June 2016	R20 919		If and when required. Department do not have control application must be done by public, e.g. cycle races, etc.	N/A	N/A		

DIRECT	DIRECTORATE: FINANCIAL SERVICES										
KEY PE	RFORMANCE AREA	4: MUNICIPAL FIN	ANCIAL VIABILITY	4 MANAGEMENT							
SECTION: FINANCE AND BUDGET OFFICE											
	Operational		nancial Years rformance	2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that all applicable budge	t related documents a	re published	on the municipal websit	e as required by the MF	MA		
BUD15	% of budget related documents published	New project	New project	Publishing 100% of all approved budget related documents on the municipal website by June 2016	100%		-	-	100%		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	nsure that all municipal assets	are accounted for						
BUD16	2015/16 Asset count completed and reported	New project	90% completed	Completing the 2015/16 asset count and submitting report to municipal manger by June 2016	Asset count and report to municipal manager		-	-	2016/17 Asset count completed and reported		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	enhance a clean audit							
BUD17	2014/15 Asset register 100% reconciled	New project	90%	Reconciling the 2014/15 asset register 100% to the financial statements by August 2015	2014/15 Asset register 100% reconciled to FS R101 128 268		-	-	100%		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To c	omply with GRAP17							
BUD18	% of all identified assets on register	New project	New project	Ensuring that 100% of all identified assets are registered in the asset register by June 2016	100%		-	-	100%		

DIRECTORATE: FINANCIAL SERVICES											
KEY PE	KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
SECTIO	N: REVENUE MANA	GEMENT									
	Operational	Previous Financial Years Actual Performance		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
,	Operational	2013/14	2014/15	Annual Target	Actual Performance	ixating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To m	naintain the current valuation ro	II to comply with legis	slation					
RM2	Existing valuation roll maintenance	Finalised for implementation and signed off by the Municipal Manager R5 442 403	Upload valuation roll on financial system R0	Maintaining the existing valuation roll with supplementary entries at cost of R700 000 by June 2016	Updating categories and tariffs R692 642		-	-	R700 000		
SECTIO	N: EXPENDITURE	R3 442 403									
	-	UE AQUIDA DI E AD	JEATUE T								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To d	ontrol credit management to er		nt of creditor	s and service providers	l	,		
EXP1	% payment within 30 days from date of invoice/statement	More than 30 days	162 Days	Settling 95 % of all payments (creditors) done within 30 days of receipt of invoice / statement by June 2016	85% (Estimated 3000 creditors and 2500 were paid)		Resource limitations	Implementation of Debt and Credit Control Policy	95%		
DIRECTORATE: CORPORATE SERVICES SECTION: ADMINISTRATION - HALLS											
			IEOTIVE		Constal matter						
NR SMOA	R value income collected from rental of council halls	MEASURABLE OB. New project	New project	ollect revenue to ensure sound Collecting R231 770 on the rental of council halls by June 2016	R511 045		-	-	R395 842		

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT										
KEY PE	RFORMANCE AREA	4: MUNICIPAL FIN	ANCIAL VIABILITY	& MANAGEMENT						
SECTIO	N: COMMUNICATIO	NS AND MARKETIN	IG							
(Operational	Previous Financial Years Actual Performance		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
•	operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB		omote the city and communica		sure a well-i	informed community			
COM1	R value spent on marketing activities	20 Year 's of Democracy booklet printed R233 324	Paying Star fm and marketing activities. R157 584	Spending R200 000 on marketing activities according to Marketing Plan by June 2016	R196 600		-	-	R200 000	
COM2	R value spent on communication programmes	R217 263	R168 380	Spending R150 000 on communication programmes (internal and external newsletters) by June 2016	R27 600		5 External newsletter were not approved and published. The media relation position still vacant	Vacant position could not be advertise due to the moratorium by MEC	R200 000	
SECTIO	N: FRESH PRODUCI	E MARKET								
NR	INDICATOR	MEASURABLE OB	IECTIVE: To co	llect income to ensure financia	al sustainability					
FPM3	Total income collected from rental estate	R907 020	R1 016 618	Total income of R1 000 000 collected from rental estate by June 2016	R943 780		-	-	R1 343 236	
FPM4	Total income collected from ripening and cooling rooms	R1 349 162	R1 293 571	Total income of R1 200 000 collected from ripening & cooling rooms by June 2016	R1 043 620 87%		Due to severe drought less fruit were collected	N/A	R1 343 236	

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION:	EDECH DDOL	DUCE MARKET
SECTION:	LKEOU PKOL	JUCE WARREI

	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial
'	Operational	2013/14	2014/15	Annual Target	Actual Performance	Katilig	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	ollect income to ensure financia	al sustainability				
FPM5	Total income collected from market commission (dues)	R15 418 449	R14 928 306	Total income of R16 000 000 collected from market commission (dues) by June 2016	R15 226 419 95%				R
FPM6	Total income collected from rental of carriages	R140 140	R128 503	Total income of R120 000 collected from rental of carriages by June 2016	R132 309 110%		-	-	R
FPM7	Total income collected from agent selling transaction fees	R80 008	R62 948	Total income of R80 000 collected from agent selling transaction fees by June 2016	R77 018 96%		Some buyers started to buy directly from the farmers	Out of council's control	R

OFFICE	OFFICE OF THE MUNICIPAL MANAGER										
KEY PE	KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: INTERNAL AUDIT											
	Operational	Previous Financial Years Actual Performance		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
·	operational	2013/14	2014/15	Annual Target	Actual Performance	ramig	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	onduct Audit Committee Meetir	ngs to ensure good go	overnance					
IA1	Nr Audit Committee meetings held to ensure an effective discharging of responsibilities	2 Audit Committee meetings held	6 Audit Committee meetings held	Holding 4 Audit Committee meetings to ensure an effective discharging of responsibilities by June 2016	6 Audit Committee meetings held		-	-	4 Audit Committee meetings		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To is:	sue Performance Information /	Audit Reports to ensu	re compliance	e with legislation				
IA2	Nr of performance information audit reports issued to assess the efficiency and effectiveness of performance achieved	4 Performance information audit reports issued	4 Performance information audit reports issued	Issuing 4 Performance information audit reports to assess the efficiency and effectiveness of performance achieved by Council by June 2016	4 Performance information audit reports issued		-	-	4 Performance information audit reports		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To is:	sue activity reports to ensure g							
IA4	Number activity reports issued to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans	3 Activity reports issued	4 Activity reports issued	Issuing 4 activity reports to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans by June 2016	4 Activity reports issued		-	-	4 Activity reports		

OFFICE	OFFICE OF THE MUNICIPAL MANAGER										
KEY PE	RFORMANCE AREA	5: GOOD GOVERI	NANCE AND PUBLI	C PARTICIPATION							
SECTION: INTERNAL AUDIT											
	Operational	Previous Financial Years Actual Performance		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ac	dopt the Internal Audit Charter	to comply with legisla	tion					
IA5	Reviewed IA Charter adopted in accordance with IIA standards	2014/15 Internal Audit Charter developed but not yet adopted by Council	Reviewed 2015/2016 Audit Charter adopted by the Audit Committee	Adopting the reviewed IA Charter (2016/17) in accordance with IIA standards by June 2016	Reviewed 2016/17 Audit Charter adopted by Audit Committee on the 30th June 2016		-	-	Reviewed 2017/18 Audit Charter		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To su	ıbmit a Risk Based Audit Plan	to ensure						
IA6	3-Year Risk Based Audit Plan 2016/17 submitted to the Audit Committee for approval	2014/15 Risk Based Audit Plan developed but not yet submitted to Audit Committee	3-Year Risk Based Audit Plan 2015/16 approved by the Audit Committee on 30 June 2015	Submitting a 3-Year Risk Based Audit Plan 2016/17 to the Audit Committee for approval by June 2016	3 year Risk based plan 2016/17 approved by Audit Committee on the 30th June 2016		-	-	3-Year Risk Based Audit Plan 2017/18		
	ORATE: STRATEGIC	<u> </u>									
	N: DIRECTOR STR										
NR	INDICATOR	MEASURABLE OB		Isure that the mandate of cou					000/		
DSPMC1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	100% (18 Received / 18 Resolved)		-	-	90%		

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL											
KEY PE	KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: PERFORMANCE MANAGEMENT (PMS)											
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ap	prove the Annual Performanc	e Report to comply wi	th section 46	of the MSA				
PMS1	2014/15 Annual Performance Report approved by Municipal Manager	2012/13 Annual Performance Report approved	2013/14 Annual Performance Report approved by MM	Approving 2014/15 Annual Performance Report by Municipal Manager by August 2015	2014/15 Annual Performance Report approved by Municipal Manager		-	-	2015/16 Annual Performance Report approved		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ta	ble the Draft / Unaudited Annu	al Report to comply w	vith section 1	21 and Circular 63 of M	FMA			
PMS2	Draft / Unaudited 2014/15 Annual Report tabled in Council /Administrator	Draft 2012/13 Annual Report tabled CC 129/2013 dated 25/09/2013	Draft / Unaudited 2013/14 Annual Report tabled CC 106/2014 dated 28/08/2014 Hand delivered to AG on 29 Aug 2014	Tabling the Draft / Unaudited 2014/15 Annual Report in Council / Administrator by 30 September 2015	Draft / Unaudited 2015/16 Annual Report approved by Administrator MM 135/2015 & ADM 31/2015 dated 31 August 2015		-	-	Draft / Unaudited 2015/16 Annual Report tabled		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ap	pprove the Mid-Year Assessme	ent Report to comply v	with section 7	72 of the MFMA				
PMS4	2015/16 Mid-Year Assessment Report approved by the Executive Mayor/ Administrator	2013/14 Mid-Year Assessment Report approved MM 5/2014 dated 23/1/2014	2014/15 Mid-Year Assessment Report approved SP CC 2/2015 dated 30 January 2015	Approving the 2015/16 Mid-Year Assessment Report by the Executive Mayor / Administrator by 23 January 2016	2015/16 Mid- Year Assessment Report approved CC 2/2016 dated 29 January 2016		-	-	2016/17 Mid- Year Assessment Report approved		

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL										
KEY PE	RFORMANCE AREA	5: GOOD GOVER	NANCE AND PUBLI	C PARTICIPATION						
SECTION: PERFORMANCE MANAGEMENT (PMS)										
	Operational	Previous Financial Years Actual Performance		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
·	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ta	ble the draft SDBIP to comply	with legislation					
PMS5	Draft 2016/17 SDBIP tabled by Council	Draft 2014/15 SDBIP tabled CC 58/2014 dated 30 May 2014	Draft 2015/16 SDBIP tabled SP CC 38/2015 dated 29/05/2015	Tabling draft 2016/17 SDBIP by Council by May 2016	Draft 2016/17 SDBIP tabled CC 17/216 dated 31 May 2016		-	-	Draft 2017/18 SDBIP tabled	
SECTIO	N: INTEGRATED DE	VELOPMENT PLAN	N (IDP)							
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ta	ble the IDP Process Plan to in	dicate key deadlines					
IDP1	2015/16 IDP process plan reviewed and tabled by Council	2014/15 IDP Process Plan tabled CC 109/2013 dated 29/08/2013	IDP Process plan reviewed and tabled CC 103/2014 dated 28/08/2014	Tabling the reviewed 2015/16 IDP process plan before Council by August 2015	2015/16 IDP Process Plan reviewed and tabled. ADM 32/2015 dated 10 September 2015		-	-	2017/22 IDP Process Plan tabled	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	hhance public participation to o	comply with legislation	and obtain ir	nputs from local commu	nity for prioritization of p	rojects	
IDP2	Number community consultations meetings conducted	2 Community consultations meetings conducted	2 Community consultations meetings conducted	Conducting 2 community consultations meetings by May 2016	3 Community consultations meetings conducted		-	-	2 Community consultations meetings	
NR	INDICATOR	MEASURABLE OB		hance public participation to		and obtain ir	nputs from external sect	or departments		
IDP3	Number Rep Forum meetings conducted	2 Rep Forum meetings conducted	2 Rep Forum meetings conducted	Conducting 2 Rep Forum meetings by June 2016	2 Rep Forum meetings conducted	1	-	-	2 Rep Forum meetings	

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL											
KEY PE	RFORMANCE AREA	A 5: GOOD GOVER	NANCE AND PUBLI	C PARTICIPATION							
SECTIO	SECTION: INTEGRATED DEVELOPMENT PLAN (IDP)										
	Operational	Previous Financial Years Actual Performance		2015/16 Financ		Rating	Reason for	Measures Taken	2016/17 Financial		
,	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To ta	ble the draft IDP to comply wi	th legislation						
IDP4	Table the draft 2016/17 IDP in Council	Draft 2014/15 IDP tabled CC 46/2014 dated 31 March 2014	Draft 2015/16 IDP tabled SP CC 19/2015 dated 31/03/2015	Tabling the draft 2016/17 IDP in Council by March 2016	Draft 2016/17 IDP tabled CC 6/2014 dated 29 April 2016		-	-	Draft 2017/22 IDP tabled		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To in	vite public comments after the	tabling of the draft ID	P to comply	with legislation and to ol	otain inputs from the cor	nmunity		
IDP5	Public comments invited by Council after tabling of the draft 2016/17 IDP	Public comments invited	Public comments invited	Inviting public comments after the tabling of the draft 2016/17 IDP for inputs from the community by April 2016	Public comments invited		-	-	Public comments invited		
SECTIO	N: RISK MANAGEM	ENT									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To su	ıbmit a Risk management repo	ort to the Risk Manage	ement Comm	nittee to ensure good go	vernance			
RIS1	Risk management report submitted to the Risk Management Committee	4 Risk management reports submitted	4 Risk management reports submitted	Submitting 4 risk management reports to ensure an effective risk management process to the Risk Management Committee by June 2016	4 Risk management reports submitted		-	-	4 Risk management reports		

DIRECT	DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL										
KEY PE	KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)											
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To m	onitor the municipality's perfor	mance and financial s	ituation by o	conducting regular MPAC	meeting			
MPAC1	Nr of MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana conducted	New project	18 MPAC meetings conducted	Conducting 10 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2016	13 public participation (s 79) meetings conducted		-	-	10 MPAC meetings		
NR	INDICATOR	MEASURABLE OB	JECTIVE : To m	onitor the municipality's perfor	mance and financial s	ituation by o	conducting regular MPAC	meeting			
MPAC2	Nr of MPAC (s 32) meetings to monitor the performance and financial situation in the City of Matlosana conducted	New project	18 MPAC meetings conducted	Conducting 10 section 32 meetings to monitor the performance and financial situation in the City of Matlosana by June 2016	1 section 32 meetings conducted		Awaiting for tabling of Unauthorized, Irregular, Fruitless & Wasteful Register	Conduct meetings after tabling of Unauthorized, Irregular, Fruitless & Wasteful Register	10 section 32 meetings		
NR	INDICATOR	MEASURABLE OB		sue MPAC progress reports to		ith legislatio	n				
MPAC3	Nr of MPAC progress reports issued to council which assess the efficiency and effectiveness of performance and finances of council	3 MPAC progress reports submitted	3 MPAC progress reports submitted	Issuing 4 MPAC progress reports to council which assess the efficiency and effectiveness of performance and finances achieved by council by June 2016	3 MPAC progress reports submitted		Awaiting for tabling of Unauthorized, Irregular, Fruitless & Wasteful Register	To table hand over report at next Council meeting	4 MPAC progress reports		

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL										
KEY PE	RFORMANCE AREA	5: GOOD GOVER	NANCE AND PUBLI	C PARTICIPATION						
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)										
	Operational	Previous Financial Years Actual Performance		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year	
NR	INDICATOR MEASURABLE OBJECTIVE: To enhance public participation on the results of the Annual Report to comply with legislation									
MPAC4	Nr of public participation meetings conducted on the results of the Annual Report	New project	2 Public participation meeting conducted	Conducting 1 public participation meeting on the results of the Annual Report by March 2016	1 Public participation meeting conducted		-	-	1 Public participation meeting	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	onduct public hearings on the f	inal report of the Audit	tor General to	comply with legislation	1		
MPAC5	Nr of public hearings conducted on the final report of the Auditor General	New project	New project	Conducting 2 public hearings on the final report of the Auditor General by March 2016	3 Public hearings conducted		-	-	2 Public hearings	
DIRECT	ORATE: CIVIL SERV	ICES AND HUMAN	SETTLEMENTS							
SECTIO	N: DIRECTOR CIVIL	. SERVICES AND H	UMAN SETTLEMEN	ITS						
NR	INDICATOR	MEASURABLE OB	JECTIVE: To er	nsure that the mandate of cour	ncil is executed					
DCSHS1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	81% (32 Received / 26 Resolved)		-	-	90%	

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS										
KEY PE	RFORMANCE AREA	5: GOOD GOVERN	NANCE AND PUBLIC	C PARTICIPATION						
SECTION: ROADS AND STORM-WATER DRAINAGE										
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To de	evelop a WSDP (Water Servic		to comply	•			
ROA2	WSDP (Water Services Development Plan) developed	New project	New project	Developing of WSDP (Water Services Development Plan) to be approved by Council / Administrator at a cost of R1 720 000 by June 2016	Task team and workshops conducted		Delayed process in appointing a service provider through Regulation 32	Speed-up the appointment through Regulation 32	RSMP (Roads and Storm- Water Master Plan) approved	
	ORATE: ELECTRICA N: DIRECTOR ELEC INDICATOR		HANICAL ENGINEE	ERING nsure that the mandate of cour	ncil is executed					
DEME1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	100% (4 Received / 4 Resolved)		-	-	90%	
DIRECT	ORATE: MUNICIPAL	AND ENVIRONME	NTAL SERVICES							
SECTIO	N: DIRECTOR MUNI	CIPAL AND ENVIR	ONMENTAL SERVICE	CES						
NR	INDICATOR	MEASURABLE OB		sure that the mandate of cour	ncil is executed					
DMES1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	75% 57 Received / 43 Resolved)		Organogram not approved	Matters to be addressed during the tabling of organogram.	90%	

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PE	RFORMANCE AREA	5: GOOD GOVER	NANCE AND PUBL	IC PARTICIPATION						
SECTION: PARKS AND CEMETERIES										
	Operational	Previous Financial Years Actual Performance		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken	2016/17 Financial	
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE : To a	dvance aviation facilities to the	community and to co	mply with leg	islation			
CEM2	Number of inspections conducted at airport	4 Inspections conducted	4 Inspections conducted	Conducting 12 inspections at PC Pelser Airport to ensure aviation safety by June 2016	4 Inspections conducted		-	-	4 Inspections	
NR	INDICATOR	MEASURABLE OB	JECTIVE : To h	ost annual arbour event for the		ana (educatio	onal project) to promote	a sustainable environm	ent	
PAR1	Number of arbour events hosted	1 Arbour Day hosted	1 Arbour Day hosted	Hosting 1 Arbour Day event (educational project) by September 2015	1 Arbour Day hosted		-	-	1 Arbour Day	
SECTIO	N: LIBRARIES									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To p	resent awareness programmes	to promote library av	vareness am	ongst adults, learners a	nd youth		
LIB2	Number of awareness programmes presented at all KOSH schools	21 Awareness programmes presented	24 Awareness programmes presented	Presenting 20 awareness programmes at schools and other venues in the KOSH area by June 2016	31 Awareness programmes presented		-	-	25 Awareness programmes	
LIB3	Nr of awareness programmes presented at libraries in the KOSH area	123 Awareness programmes presented	145 Awareness programmes presented	Presenting 120 awareness programmes at all KOSH libraries by June 2016	162 Awareness programmes presented		-	-	Awareness programmes presented	
LIB4	Nr of library interest events presented	45 library interest events presented	53 library interest events presented	Presenting 45 library interest events in the KOSH area by June 2016	55 library interest events presented		-	-	45 library interest events	

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: MUSI	EUM AND HERITAGE
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	Operational	Previous Fin Actual Pe	ancial Years rformance	2015/16 Financ	cial Year	Dating	Reason for	Measures Taken	2016/17 Financial
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year
NR	INDICATOR	MEASURABLE OB		ovide an educational services o capacitate learners	to ensure community	participation	n, empower unemployed	youth, women and disal	oled persons
MUS1	Nr of consultation sessions convened	100 Consultation sessions convened	109 Consultation sessions convened	Convening at least 110 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2016	131 Consultation sessions convened	(1)	-	-	109 Consultation sessions
MUS2	Number of lifelong skills development programs presented	34 Lifelong skills development programs presented	36 Lifelong skills development programs presented	Presenting at least 30 lifelong skills development programs to unemployed women, youth and physical disadvantage persons to empower them to develop entrepreneurial skills by June 2016	33 Lifelong skills development programs presented		-	-	36 Lifelong skills development programs
MUS3	Number of educational programs presented	101 Educational programs presented	99 Educational programs presented	Presenting at least 100 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of KOSH in particular by June 2016	116 Educational programs presented		-	-	105 Educational programs

			DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
SECTION	SECTION: MUSEUM AND HERITAGE												
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial				
	operational .	2013/14	2014/15	Annual Target Actual Performance		ixatilig	Deviation	Performance	Year				
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To ma	anage heritage resources by p	romoting heritage awa	areness							
4	Number of heritage awareness projects convened	11 Heritage awareness projects convened	10 Heritage awareness projects convened	Convening 10 heritage awareness projects to disseminate knowledge	11 Heritage awareness projects convened		-	-	10 Heritage awareness projects				
MUS4				regarding heritage conservation and promote cultural heritage and national unity by June 2016									
SECTION	N: SPORT AND REC	REATION											
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To en	sure sound sport administration	n								
_	Number of sport	4 Sport council	6 Sport council	Conducting 6 sport council	5 Sport council		There was necessity	N/A	6 Sport				
SP01	council meetings held	meetings conducted	meetings conducted	meetings to ensure the smooth running of sport	meetings conducted		for a 6 th meeting		council meetings				
	noid	oonaaotoa	oonaaotoa	clubs by June 2016	oonaaotoa				modango				
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To reg	gulate the usage of Council fac	cilities by sport clubs								
SP02	Nr of lease contracts renewed	New project	New project	Renewing 32 lease contracts with various sport clubs using Council facilities by June 2016	23 lease contracts renewed		Contracts still with Legal Section	Contracts will be signed by the end of June 2016	32 Lease contracts				
NR	INDICATOR	MEASURABLE OBJ	IECTIVE: To cond	uct sport events to develop sp	ort in the KOSH area		·	·					
SPO3	Nr of sport events conducted	5 Sport events conducted	5 Sport events conducted	Conducting 4 sport events to ensure the promotion of sport in the KOSH area at a cost of R 126 000 by June 2016	5 Sport events conducted		-	-	4 Sport events				

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES										
KEY PE	KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: TRAFFIC AND SAFETY										
	Operational		nancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
	•	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB		omote road safety						
TRA2	Nr of traffic and road safety campaigns conducted at schools and crèches	36 Traffic and road safety campaigns conducted	31 Traffic and road safety campaigns conducted	Conducting 36 traffic and road safety campaigns at schools and crèches in the KOSH area according to programme by June 2016	36 Traffic and road safety campaigns conducted		-	-	36 Traffic and road safety campaigns conducted	
DIRECT	ORATE: FINANCIAL	SERVICES								
SECTIO	N: CHIEF FINANCIA	L OFFICER								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To en	sure that the mandate of cour	ncil is executed					
FIN3	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	100% (50 Received / 50 Resolved)		-	-	90%	
SECTIO	N: FINANCE AND E	SUDGET OFFICE								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To a	pprove the budget in order to o	comply with legislation					
BUDS	2016/17 Budget planning process time table tabled	2014/15 Budget Process Plan tabled CC 109/2013 dated 29 August 2013	2015/16 Budget Process Plan tabled and approved. CC 102/2014 dated 28/08/2014	Tabling the 2016/17 budget planning process time table by 31 August 2015	2016/17 Budget Process Plan submitted to Administrator ADM 29/2015 dated 31/08/2015		-	-	2016/17 Budget policies & tariffs approved	

DIRECTORATE: FINANCIAL SERVICES										
KEY PE	RFORMANCE AREA	5: GOOD GOVER	NANCE AND PUBL	C PARTICIPATION						
SECTION: FINANCE AND BUDGET OFFICE										
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB.	IECTIVE: To a	pprove the budget in order to	comply with legislation					
BUD6	2016/17 Draft budget approved	2014/15 Draft budget approved CC 48/2014 dated 15 April 2014	2015/16 Draft Budget approved CC 18/2015 dated 31/03/2015	Approving the 2016/17 draft budget by March 2016	2016/17 Draft budget was tabled and approved CC 7/2014 Tabled 29 March 2016		-	-	2017/18 Draft budget approved	
BUD8	2016/17 Budget related policies approved	2014/15 Budget policies & tariffs approved CC 74/2014 dated 17 June 2014	2015/16 Budget policies & tariffs approved SP CC 36/2015 dated 29 May 2015	Approving the final 2016/17 budget related policies and tariffs by May 2016	2016/17 Budget policies & tariffs approved CC 12/2016 Tabled 31 May 2016		-	-	2017/18 Budget policies & tariffs approved	
NR	INDICATOR	MEASURABLE OB	IECTIVE: To ap	prove the Adjustment Budget	to comply with legislat	ion		<u>'</u>		
BUD9	2015/16 adjustment budget approved	2013/14 Adjustment Budget approved CC 47/2014 dated 15 April 2014	2014/15 Adjustment budget approved CC 12/2015 dated 12/03/2015	Approving the 2015/16 adjustment budget by 28 February 2016	2016/17 Adjustment budget was tabled and approved CC 5/2016 on 29/02/2016		-	-	2016/17 Adjustment Budget approved	

DIRECTORATE: FINANCIAL SERVICES											
KEY PE	RFORMANCE AREA	A 5: GOOD GOVER	NANCE AND PUBL	LIC PARTICIPATION							
SECTIO	SECTION: INFORMATION COMMUNICATION TECHNOLOGY (ICT)										
	Operational	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken	2016/17 Financial		
Operational		2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To e	ensure effective IT systems for r	nunicipal processes						
ICT2	% of queries responded to within 10 working days	New project	New project	Resolving 85% of all IT queries received within 10 working days by June 2016	94% (2 423 received / 2 281 resolved)	(1)	-	-	90%		
SECTIO	N: SUPPLY CHAIN	MANAGEMENT									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To d	comply with legal requirements	(sec 116 of MFMA)						
SCM1	Percentage of SLA are signed to all allocated tenders	New project	New project	Ensuring 100% of all allocated tenders / projects are forwarded to Legal for SLA to be signed by June 2016	75%		Tenders closed at end of June 2016. All SLA's were submitted in July 2016	SLA's to be signed as soon as possible	100%		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To I	review and approve the 2014/15	SCM policy in order	to comply w	ith legislation	'			
SCM2	2014/15 Supply chain management policy reviewed and approved	New project	New project	Reviewing and approving the 2014/15 supply chain management policy by March 2016	SCM policy internally reviewed	(1)	-	-	Reviewing and approving the 2017/18		

DIRECT	ORATE: FINANCIAL	SERVICES							
KEY PE	RFORMANCE AREA	A 5: GOOD GOVER	RNANCE AND PUBL	IC PARTICIPATION					
SECTIO	N: SUPPLY CHAIN	MANAGEMENT							
	Operational	Previous Financial Years Actual Performance		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OF	BJECTIVE: To e	nsure that all supply chain mar		published or	n the municipal website	as required by the MFM	
SCM3	% of supply chain management awards published	New project	New project	Publishing 100% of all supply chain management contracts in terms of Section 75(1)(g) of the MFMA on the municipal website by June 2016	100% (22 Approved / 22 published)		-	-	100%
NR	INDICATOR	MEASURABLE OF	BJECTIVE: To it	mplement Internal Co-operation	n and Controls to ens	ure compliar	nce with legislation		
SCM4	Number of meetings of the Evaluation Committee conducted	27 Evaluation committee meetings conducted	10 Evaluation committee meetings conducted	Conducting at least 12 meetings of the Evaluation Committee by June 2016	14 Evaluation committee meetings conducted		-	-	12 Evaluation committee meetings
SCM5	Number of meetings of the Adjudication Committee conducted	16 Adjudication committee meetings conducted	12 Adjudication committee meetings conducted	Conducting at least 8 meetings of the Adjudication Committee by June 2016	15 Adjudication committee meetings conducted		-	-	12 Adjudication committee meetings
NR	INDICATOR	MEASURABLE OF		mplement Internal Co-operation		ure complian	ce with legislation		
SCM6	Number of SCM workshops for council employees conducted	1 SCM workshop conducted	1 SCM workshop conducted	Conducting 4 SCM workshops for council employees by June 2016	6 SCM workshop conducted		-	-	8 SCM workshop

DIRECT	DIRECTORATE: FINANCIAL SERVICES									
KEY PE	RFORMANCE AREA	A 5: GOOD GOVERI	NANCE AND PUBLI	C PARTICIPATION						
SECTIO	SECTION: SUPPLY CHAIN MANAGEMENT									
	Operational		ancial Years rformance	2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17 Financial	
,	Operational	2013/14	2014/15	Annual Target Performance		Katilig	Deviation	Performance	Year	
NR	INDICATOR	MEASURABLE OB	JECTIVE: To im	plement a Supply Chain Mana	agement policy to con	nply with leg	islation			
SCM7	Submitting 4 quarterly reports on the implementation of SCM policy to council and make public by June 2016	4 Quarterly reports submitted	4 Quarterly reports submitted	Submitting 4 quarterly reports on the implementation of SCM policy to council and make public by June 2016	4 Quarterly reports submitted		-	-	4 Quarterly reports	
DIRECT	ORATE: CORPORAT	TE SERVICES								
SECTIO	N: DIRECTOR COR	PORATE SERVICES	3							
NR	INDICATOR	MEASURABLE OB.		nsure that the mandate of cour	ncil is executed					
DCS1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	90%		-	-	90%	
SECTIO	N: ADMINISTRATIO	N								
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To ho	ld section 80 committees mee	tings to ensure comp	y with legisl	ation to take informed de	cisions		
ADM1	Number of sec.80 committees meetings (Portfolio Meetings) conducted	60 (sec. 80) committees meetings and 13 special meetings conducted	72 (sec.80) committees and 13 special committee meetings conducted	Conducting 60 (sec.80) committees meetings (Portfolio Meetings) by June 2016	50 (sec. 80) committees meetings and 6 special meetings conducted		Meetings not held due to postponement. 2 nd and 3 rd Quarter meetings help together	N/A	60 (sec. 80) committees meetings	

DIRECT	DIRECTORATE: CORPORATE SERVICES										
KEY PE	RFORMANCE AREA	A 5: GOOD GOVER	NANCE AND PUBL	C PARTICIPATION							
SECTIO	SECTION: ADMINISTRATION										
	O		nancial Years erformance	2015/16 Financ	cial Year	Detino	Reason for Deviation	Measures Taken to Improve Performance	2016/17		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating			Financial Year		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	onduct Administrator / Mayoral	Committee meetings	to comply v	vith legislation to align wi	th political mandate			
ADM2	Number of Administrator / Mayoral Committee meetings conducted	6 Mayoral Committee & 12 Special Mayoral Committee meetings conducted	4 Mayoral Committee, 3 Administrator and 11 Special Mayoral Committee meetings conducted	Conducting 6 Administrator / Mayoral Committee meetings by June 2016 - Section 139 (1)(b) - Administrator	5 Administrator meetings conducted		Meetings arranged on instruction of Administrator	N/A	6 Administrator / Mayoral Committee meetings		
NR	INDICATOR	MEASURABLE OB	.IECTIVE '	nsure effective Council admin nunity mandate	istration and complian	ce with legi	slation in order to convey	rfeedback after conside	ring political and		
ADM3	Number of ordinary council meetings conducted	19 Council meetings conducted	20 Council meetings conducted	Conducting 6 Council meetings by June 2016	8 Council meetings conducted		-	-	10 Council meetings		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To s	ource funding for implementat	ion of the approved re	cords class	ification system to compl	iance with legislation			
ADM4	Funds for the implementation of the approved records classification system sourced	New project	R300 000 received from MSIG	Sourcing funds for the implementation of the approved records classification system by March 2016	Funds received and purchases made. Project finalized R200 000		-	-	N/A		

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KEIFE	EY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
SECTIO	N: LEGAL SERVICE	S AND LAND AFF	AIRS						
	Operational	Previous Fin Actual Pe	ancial Years rformance	2015/16 Financ	ial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Improve Performance	Year
NR	INDICATOR	MEASURABLE OB	IECTIVE: To m	anage the Council's Contract I	Register to ensure pro	per control	and keeping of record of	contracts	
LEG1	Contract management system managed and relevant departments informed within 3 months of expiry of contracts	Notices were sent out for this quarter Register was updated and a progress report was submitted to Council	Notices were sent out for this quarter Register was updated and a progress report was submitted to Council	Managing the Contract Register of Council and informing relevant departments of expiry dates of contracts within 3 months of expiry of the contract by June 2016	Notices were issued. Register was updated.		Progress report was not sent to Council	After the updating of the register and verifying the SLA's, the report will be done on each quarter	Notices were issued and register updated when necessary
NR	INDICATOR	MEASURABLE OB.	IECTIVE: To co	omply with legal requirements					
LEG2	Percentage of SLA are signed to all allocated tenders, as received from SCM	New project	New project	Ensuring 100% SLA are signed to all allocated tenders / projects as received from SCM by June 2016	100%		-	-	100%
NR	INDICATOR	MEASURABLE OB	IECTIVE: To re	cover non-paid Council sold st	tands to address the s	hortage of I	and for Council		
LAN1	Non-paid Council sold stands older than 10 years recovered	Process of writing letters of intent still on-going Already cancelled several contracts	Progress report submitted to Council	Recovering all non-paid Council sold stands older than 10 years by June 2016	Continuously writing letters of intent to purchase. Council Attorneys are also continuously engaged to peruse the transactions		-	-	Recovering all non-paid Council

DIRECT	RECTORATE: CORPORATE SERVICES										
KEY PE	RFORMANCE AREA	A 5: GOOD GOVERI	NANCE AND PUBL	IC PARTICIPATION							
SECTIO	N: POLITICAL OFF	ICES									
	Operational		ancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial		
	Operational	2013/14	2014/15	Annual Target	Actual Performance	Natility	Deviation	Performance	Year		
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To h	ost a Mandela Day event to do	goodwill to each othe	er					
EM4	Mandela Day event hosted	1 Mandela Day event hosted and 1 Memorial service held R106 158	Mandela Day hosted on 18 July 2014 R60 132	Hosting 1 Mandela Day event at a cost of R70 000 by July 2015	Mandela Day hosted on 18 July 2014 R14 654	3	-	-	R70 000		
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	onduct moral re-generations w	orkshops as per natio	nal legislatio	n to promote social deve	elopment within commur	ities		
WHI1	Number of moral regeneration workshops and events in KOSH conducted	New project	New project	Conducting 2 moral regeneration workshops and 2 community events (as per programme) in KOSH at a cost of R100 000 by June 2016	2 Moral regeneration workshops and 1 community event conducted.		Could not reach annual target due to cash flow constraints.	N/A	2 Moral regeneration workshops and 2 community events R300 000		
DIRECT	ORATE: MACRO CIT	TY PLANNING AND	DEVELOPMENT								
SECTIO	N: DIRECTOR MAC	RO CITY PLANNIN	G AND DEVELOPM	IENT							
NR	INDICATOR	MEASURABLE OB.	JECTIVE: To er	nsure that the mandate of cour	ncil is executed						
DMCPD1	% of Council resolutions implementation within required timeframe	New project	New project	Implementing 80% of all council / mayco / administrators resolutions by June 2016	91% (100 received / 91 implemented)	1	-	-	90%		

DIRECT	ORATE: MACRO CI	TY PLANNING AND	DEVELOPMENT						
KEY PE	RFORMANCE AREA	A 5: GOOD GOVER	NANCE AND PUBLI	C PARTICIPATION					
SECTIO	N: LOCAL ECOMOI	+							
	Operational		nancial Years erformance	2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	Operational	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB	SJECTIVE: To co	onduct workshops to capacitate	e SMME's				
LED5	Number of SMME workshops conducted to capacitate SMME's	4 SMME workshops conducted	6 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's by June 2016	4 SMME workshops conducted		-	-	4 SMME workshops
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	evise the SMME Policy in orde	r to comply with legisl	ation			
PED6	SMME Policy revised	New project	Policy submitted to Council	Revising the SMME Policy by June 2016	Policy revised, but not work shopped with councillors yet		Awaiting new date from Speaker's Office	Policy to be work shopped on receival of date	SMME Policy revised
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	evise the Informal Traders Poli	cy in order to comply	with legislat	ion		
LED7	Informal Traders Policy revised	New project	Policy submitted to Council	Revising the Informal Traders Policy by June 2016	Revised Informal Traders Policy approved CC3/2016 dated 29/01/2016		-	-	N/A
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	vise the Cooperatives Policy i		legislation			
LED8	Co-operatives Policy revised	New project	Policy submitted to Council	Revising the Co-operatives Policy by June 2016	Revised Co- operatives Policy approved CC3/2016 dated 29/01/2016		-	-	N/A

DIRECT	ORATE: MACRO CIT	Y PLANNING AND	DEVELOPMENT						
KEY PE	RFORMANCE AREA	5: GOOD GOVER	NANCE AND PUBLI	C PARTICIPATION					
SECTIO	N: COMMUNICATIO	NS AND MARKETII	NG						
	Operational	Previous Fin Actual Pe	ancial Years rformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
•	Operational	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OB.	JECTIVE : To ap	prove the Events Managemer	nt Policy to create inte	rnal and ext	ernal awareness on corp	orate communication	
СОМ6	Events Management Policy approved	Policy drafted	Policy submitted to Council	Approving of the Events Management Policy by June 2016	Policy work shopped, but referred back		Policy was referred back. Will only be submitted in next financial year	The policy to be referred to the department of Sports Arts and culture.	Events Management Policy approved
SECTIO	N: FRESH PRODUC	E MARKET							
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	evise the Market Policy in orde	r to comply with legisl	ation			
FPM1	Market Policy revised	Policy drafted	Policy submitted to Council	Revising the Market Policy by June 2016	Policy revised, but not work shopped with councillors yet		Awaiting new date from Speaker's Office	Policy to be workshopped on receival of date	Market Policy approved
NR	INDICATOR	MEASURABLE OB	JECTIVE: To re	vise the market by-law in orde	r to give effect to the a	approved m	arket policy		
FPM2	Market By-Law revised	Market By-Law drafted	Market By-Law submitted to Council	Revising the Market By- Law by June 2016	Policy revised, but not work shopped with councillors yet		Awaiting new date from Speaker's Office	Policy to be work shopped on receival of date	Market By- Law revised

11

Outcome 9 Indicators from National Government

SERVICE	DELIVERY								
DIRECTO	DRATE: CIVIL SERVIC	ES AND HUMAN SET	TLEMENTS						
	Outcome 9		nancial Years erformance	2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Outcome 9	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Improve Performance	Year
Roads ai	nd Storm-Water Draina	nge							
NR	INDICATOR	MEASURABLE OB	JECTIVE :						
ROA1	Km roads graded in the KOSH area	42,88 Km roads graded R2 500 021	34,86 Km roads graded R2 997 586	Grading of 60 km roads in the KOSH as per programme at a cost of R4 500 000 by June 2016	91.83 Km roads graded R3 437 507		-	-	60 Km roads graded R4 240 000
	AL, ADMINISTRATIVE DRATE: FINANCIAL S								
	Management								
NR	INDICATOR	MEASURABLE OB	JECTIVE: To co	ollect revenue for property rate 04)	s to comply with legis	slation (Imple	mentation of the Municip	al Property Rates Act, 2	004 (Act no. 6
RM1	% of budgeted revenue for property rates collected	86.02%	92%	82 % of budgeted revenue for property rates collected by June 2016	99%		-	-	82%
NR	INDICATOR	MEASURABLE OB	JECTIVE: To ide	entify the grants received as re	evenue to better servi	ice delivery			
BUD11	Grants as a % of requested grants	100%	92%	Receiving 100% of requested grants by June 2016	100%		-	-	100%

FINANCI	AL, ADMINISTRATIVE	AND CAPACITY							
DIRECTO	DRATE: FINANCIAL S	ERVICES							
	Outcome 9	Previous Fina Actual Per		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Outcome 3	2013/14	2014/15	Annual Target	Actual Performance	rating	Deviation	Performance	Year
Revenue	Management								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To co	ntrol debt management to ens	sure financial sustaina	bility			
REV1	R value debtors outstanding as a % of own revenue	61%	130%	Rand value debtors outstanding as 75% of own revenue by June 2016	84%		-	-	75%
REV2	% of debt collected as a percentage of money owed to the municipality	76%	76%	85% of debt collected as a percentage of money owed to the municipality by June 2016	76%		Target was not reached because due to levies that were not made previously have been levied backdated for 2 years	Credit Control and Debt Collection to be increased, external credit control firm appointed May 2016	75%
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To inc	crease Payments Received vs	. Monthly Levies (Col	lection rate of	of billings)		
REV3	% Increase in annual debtors collection rate	2% increase (from previous 80% to 88%)	8% increase (from previous 80% to 88%)	3% Increase (80% to 83%) in annual service debtors collection rate by June 2016	7.29 % increase (from previous 80% to 87.29%)		-	-	3%
Expendit	ture Management								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To cont	rol expenditure management t	to ensure financial sus	stainability			
BUD1	Capital expenditure as a % of planned capital expenditure	64% R126 296 912	68% R94 804 858	Capital expenditure as a 100% of planned capital expenditure (R124 415 575) by June 2016	86% R106 152 742		Late appointments from contractors	Some invoices still to go through on year end closing.	65% R144 615 900

FINANCIA	AL, ADMINISTRATIVE	AND CAPACITY							
DIRECTO	RATE: FINANCIAL S	ERVICES							
	Outcome 9	Previous Fina Actual Peri		2015/16 Financ		Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	outoonic o	2013/14	2014/15	Annual Target	Actual Performance	raung	Deviation	Performance	Year
Expendit	ure Management								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To cont	rol expenditure management	to ensure financial sus	stainability			
BUD2	% of operational budget spent on repairs and maintenance	R45 121 254 66%	R45 121 254 66%	4% of operational budget spent on repairs and maintenance at a cost of R82 421 579 by June 2016	R 73 884 144 93%		Cash flow constrains and absences of maintenance & procurement plans	The infrastructure maintenance report from MISA informed departments to increase the 2016/17 budgets	3% R105 957 770
Financial	Management								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To app	rove the budget in order to co	mply with legislation				
BUD7	Final 2016/17 budget approved	2014/15 Budget approved CC 74/2014 dated 17 June 2014	2015/16 Budget approved SP CC 36/2015 dated 29 May 2015	Approving the final 2016/17 budget by May 2016	2016/17 Budget approved CC12/2016 dated 31 May 2016		-	-	Final 2017/18 budget approved
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To subr	nit the 2014/15 Financial State	ements on time to con	nply with leg	islation		
BUD10	2014/15 financial statements submitted to the Auditor-General	2012/13 Financial Statements submitted to Auditor-General 31 August 2013	2013/14 Financial Statements submitted to AG on 29 August 2014	Submitting the 2014/15 financial statements to the Auditor-General by 31 August 2015	2014/15 Financial Statements submitted to AG on 31 August 2015		-	-	2015/16 financial statements submitted to the AG
NR	INDICATOR	MEASURABLE OBJ		mit sec 71 reports to NT in ord		islation			
BUD14	Number of reports submitted	12 Electronic version submitted to the NR database	12 Electronic version submitted to the NR database	Submitting 12 electronic version of the section 71 report to the NT database by June 2016	12 Electronic version submitted to the NR database		-	-	12 Electronic version submitted

INTEGRA	RATED DEVELOPMENT PLANNING								
DIRECTO	DRATE: STRATEGIC P	LANNING, MONITORIN	NG AND CONTROL						
	Outcome 9	Previous Fina Actual Perf		2015/16 Finan	cial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Outcome 3	2013/14	2014/15	Annual Target	Actual Performance	raung	Deviation	Performance	Year
Performa	ance Management								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To table	the Audited Annual Report to	comply with section	121 of MFM	4		
PMS3	Audited 2014/15 Annual Report tabled before Council	2012/13 Annual Report tabled. CC 20/2014 dated 31 January 2014	2013/14 Annual Report tabled. MM 32/2015 dated 22 January 2015 SP CC 1/2015 dated 30 January 2015	Tabling the Audited 2014/15 Annual Report before Council by 31 January 2016	Final 2015/16 SDBIP tabled CC 1/2016 dated 29 January 2016		-	-	Audited 2015/16 Annual Report tabled before Council
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To appr	ove the final SDBIP to ensure	compliance with legis	slation			
PMS6	Final 2016/17 SDBIP approved by Executive Mayor	Final 2014/15 SDBIP approved MM 145/2014 dated 27 June 2014 EM 25/2014 dated 04 July 2014	Final 2015/16 SDBIP approved MM 97/2015 dated 12 June 2015. ADM 21/2015 dated 25 June 2015	Approving final 2015/16 SDBIP by Executive Mayor (28 days after approval of budget) by June 2016	Final 2016/17 SDBIP approved MM136/2016 dated 13 June 2016. ADM 31/2016 dated 20 June 2016		-	-	Final 2017/18 SDBIP approved by Executive Mayor
Integrate	d Development Planni	ing							
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To appr	ove the final IDP to comply w	th legislation				
9401	Final 2016/17 IDP approved by Council	Final 2014/15 IDP approved CC 74/2014 dated 17 June 2014	Final 2015/16 IDP approved SP CC 37/2015 dated 29 May 2015	Approving final 2016/17 IDP by Council by May 2016	Final 2016/17 IDP approved CC13/2016 dated 31 May 2016		-	-	Final 2017/18 IDP approved by Council

ADMINIS	TRATION								
DIRECTO	DRATE: STRATEGIC P	LANNING, MONITORI	NG AND CONTROL						
	Outcome 9	Previous Fin Actual Per		2015/16 Financ	cial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Outcome 3	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
Reduce	Corruption								
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To revis	se the Risk Register to determ	ine the linkage betwee	en departme	ental objectives and risk a	ctivity	
RIS3	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	2013/14 Risk Register revised 2014/15 Risk register compiled and submitted to Internal Audit	2014/15 Risk register was reviewed in May/June 2015 and the 2015/16 Risk register was approved on 30 June 2015 by the Audit Committee	Revising the 2015/16 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2015/16 Risk Register by June 2016	2015/16 Risk Register approved by Audit Committee		-	-	2016/17 Risk Register approved by Audit Committee
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To cond	luct Fraud Risk assessment to	ensure good governa	ance and to	comply with legislation		
RIS4	Nr of fraud risk assessments in conjunction with provincial department conducted on emerging risks	Fraud and Corruption Prevention Policy approved CC 29/2014 dated 29/03/2014	503 Employees assessed Report to Council	Conducting 2 fraud risk assessments with Council departments in conjunction with provincial department on the emerging risks by June 2016	2 Fraud risk assessments conducted Report not submitted to Council		Report will be submitted for consideration at the audit committee scheduled for July 2016 before it is submitted to council.	To be approved by Council as soon as possible	2 Fraud risk assessments
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To table	the Oversight Report to com	ply with s.129(1) of the	e MFMA			
MPAC6	2015/16 Oversight Report tabled before Council	New indicator	2013/14 Oversight Report tabled CC15/2015 dated 31 March 2015	Tabling the 2015/16 Oversight Report before Council by 31 March 2016	2014/15 Oversight Report tabled CC 10/2016 dated 30 March 2016		-	-	2016/17 Oversight Report tabled before Council

LABOUR	RELATIONS								
DIRECTO	DRATE: STRATEGIC P	LANNING, MONITORI	NG AND CONTROL						
	Outcome 9	Previous Fina Actual Per		2015/16 Finan	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	Outcome 3	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OBJ	ECTIVE : To sign	the Performance Agreements	to comply with legislati	on			
PMS7	2016/17 Performance Agreements with section 54A and 56 employees signed	2014/15 Performance Agreements signed 27 June 2014	2015/16 Performance Agreements signed on 25 June 2015	Signing the 2016/17 performance agreements with section 54 & 56 employees by June 2016	2016/17 Performance Agreements signed		-	-	2017/18 Performance Agreements signed
GOVERN	IANCE / PUBLIC PART	ICIPATION							
DIRECTO	DRATE:` CORPORATE	SERVICES							
NR	INDICATOR	MEASURABLE OBJ	ECTIVE:	ance public participation as penmes of Council	er legislation to identify o	community r	needs and concerns and	I to inform the communit	y of
EM1	Number of Imbizos conducted	22 Imbizos conducted R237154	16 Imbizos conducted R104 467	Conducting 18 Imbizos in the KOSH area at a cost of R150 000 by June 2016	20 Imbizos conducted R8 711		-	-	18 Imbizos

GOVERN	IANCE / PUBLIC PART	TICIPATION							
DIRECTO	DRATE:` CORPORATE	SERVICES							
	Outcome 9	Previous Fina Actual Per		2015/16 Finan	cial Year	Rating	Reason for	Measures Taken to Improve	2016/17 Financial
	Outcome 5	2012/13	2013/14	Annual Target	Actual Performance	Katiliy	Deviation	Performance	Year
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To impl	ement a Community Developr	ment Plan to identify co	mmunity ne	eds, challenges and to d	comply with legislation	
SPE1	Community Based Plan (CBP) implemented	Report submitted to council during September 2013 R1 810 367	Field Workers are allocated to all 35 wards of Matlosana. R1 580 490	Implementing the Community Based Plan (CBP) in 35 wards and submitting report to Council at a cost of R1 600 000 by June 2016	Field Workers are allocated to all 35 wards of Matlosana. No progress report submitted R1 674 740		The report is developed but was not included in the June 2016 agenda. Only urgent and identified transitional matters were accommodated in the council meeting	The report will be submitted in the next council meeting of the new council	Community Based Plan (CBP) implemented
	ABLING ENVIRONMED DRATE: MACRO CITY	NT PLANNING AND DEV	ELOPMENT						
NR	INDICATOR	MEASURABLE OBJ		ure alignment between LED st	rategies and PGDS to s	syneraize th	ne communication betwe	en the three spheres of	government
LED3	Number of cooperatives established and functional	2014/15 LED strategy and plans approved and aligned Mayco 249/2014 dated 19 May 2014	4 Co-operatives established – Vaal Reefs (Agri farm); Khuma (Agri farm); Hartbeesfontein (Semogare Coperative); R 16 185	4 Co-operatives (1 per township) in KOSH area established / resuscitated and functional at a cost of R 200 000 by June 2016	4 Co-operatives established – Tigane Bakery, Oblate Egg Layers, New Little Porridge Co-operative, Women Ora Et Labora Primary Co- orporative Ltd. All externally funded		-	-	4 Co- operatives established

12

National Key Performance Indicators

Nationa	Il Key Performance		nancial Years rformance	2015/16 Finan	cial Year	Rating	Reason for	Measures Taken to	2016/17 Financial
	Indicators	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Improve Performance	Year
SECTIO	N: WATER SERVICE	S							
NR	INDICATOR	MEASURABLE OB	IECTIVE : To prov	ride basic municipal services t	o ensure the access th	nereof			
WAT1	Number and % of households with access to basic level of water	161 522 Households 100%	163 612 Households 100%	163 612 and 100% of households with access to basic level of water by June 2016 - Urban Settlements	164 644 Households 100%		-	-	164 644 Households 100%
WAT2	Number of households without access to basic level of water	0 Households	0 Households	Zero Households without access to basic level of water by June 2016 - Urban Settlements (Squatters on unpromulgated land)	0 Households		-	-	0 Households
WAT3	Nr of water backlogs eliminated -	Backlogs eliminated	Backlogs to eliminate	No water backlogs eliminated by June 2016 - Urban Settlements (Squatters on unpromulgated land)	Backlogs to eliminate		-	-	Backlogs to eliminate
WAT4	Nr and % of households with access to basic level of water	1 845 Households 71%	2 786 Households 77%	2 786 and 77% of households with access to basic level of water by June 2016 - Rural Settlements	2 786 Households 77%		-	-	2 786 Households 77%

	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS											
Nation	al Key Performance		ancial Years rformance	2015/16 Financ	2015/16 Financial Year		Reason for	Measures Taken to Improve	2016/17 Financial		
	Indicators	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
SECTION: WATER SERVICES											
NR	INDICATOR	MEASURABLE OB	IECTIVE : To prov	ride basic municipal services to	o ensure the access tl	hereof					
	Nr of households	742 Households	827 Households	827 Households without	827 Households		-	-	827		
WAT5	without access to			access to basic level of					Households		
×	basic level of water			water by June 2016 -							
				Rural Settlements							
	Nr of water	0 Backlogs	312 Backlogs	0 Water backlogs	0 Backlogs		-	-	312 Backlogs		
WAT6	backlogs eliminated	eliminated	eliminated	eliminated by June 2016 -	eliminated				eliminated		
≶			(Communal taps)	Rural Settlements (No					(Communal		
				funds available)					taps)		
SECTIO	N: SANITATION SER	RVICES									
	Nr and % of	158 360	162 057	162 057 and 99% of	163 399		-	-	162 057		
=	households with	Households	Households	households with access to	Households				Households		
SAN1	access to basic	98%	99%	basic level of sanitation by	99%				99%		
	level of sanitation			June 2016 - Urban Settlements							
	Nr of household	3 174 Households	1 555	1 555 Households without	1 555 Households		-	-	1 555		
2	backlogs without	(Buckets)	Households	access to basic level of	(Buckets)				Households		
SAN2	access to basic	,	(Buckets)	sanitation by June 2016 -	,				(Buckets)		
	level of sanitation		,	Urban Settlements					,		
	Nr of sanitation	195 Backlogs	293 Backlogs	196 Backlogs eliminated	196 Backlogs		In flux of informal	Obtain residential	0 Backlogs		
~	backlogs eliminated	eliminated	eliminated	by June 2016 (bucket	eliminated		settlements		eliminated		
SAN3				eradication). Completion		E					
Ŋ				of incomplete toilets -							
				Urban Settlements							

KEY PER	KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
DIRECTORATE:CIVIL SERVICES AND HUMAN SETTLEMENTS											
Nationa	al Key Performance	Previous Fin Actual Per		2015/16 Financ	2015/16 Financial Year		Reason for	Measures Taken to Improve	2016/17 Financial		
	Indicators	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Year		
SECTION: SANITATION SERVICES											
NR	INDICATOR	MEASURABLE OBJ	ECTIVE : To prov	ride basic municipal services to	o ensure the access th	nereof					
SAN14	Nr and % of households with access to basic level of sanitation	2,575 Households 100% (Ventilated pit toilets)	2,575 Households 80% (Ventilated pit toilets)	2 575 and 100% Households with access to basic level of sanitation by June 2016 - Rural Settlements	2,575 Households 80% (Ventilated pit toilets)		-	-	2,575 Households 80%		
SAN15	Nr of household without access to basic level of sanitation	0 Households	728 Households	728 Households without access to basic level of sanitation by June 2016 - Rural Settlements	728 Households	7	-	-	728 Households		
SAN16	Nr of sanitation backlogs eliminated	0 Backlogs eliminated	Backlogs eliminated (Cannot install services on unproclaimed land)	Zero sanitation backlogs eliminated by June 2016 - Rural Settlements	Backlogs eliminated (Cannot install services on unproclaimed land)		-	-	0 Backlogs eliminated		
DIRECTO	DRATE:ELECTRICAL A	AND MECHANICAL EN	IGINEERING								
SECTIO	N: ELECTRICAL SE	RVICES									
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To prov	ide basic municipal services to	o ensure the acc <u>ess</u> th	nereof					
ELE5	Number and % of households with access to basic level of electricity	160 075 Households 98%	164 436 Households 99.8%	164 436 and 99.8% of households with access to basic level of electricity by June 2016 - Urban Settlement	164 694 Households 100%		-	-	99%		

Nation	nal Key Performance		nancial Years rformance	2015/16 Financ	cial Year	Deting	Reason for	Measures Taken	2016/17		
Indicators		2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	to Improve Performance	Financial Year		
SECTION: ELECTRICAL SERVICES											
NR	INDICATOR	MEASURABLE OB.		ovide basic municipal services		thereof					
ELE6	Number of households without access to basic level of electricity	2 742 Households	285 Households	285 Households without access to basic level of electricity by June 2016 - Urban Settlement	630 Households		More informal settlements within urban areas established	N/A	N/A		
ELE7	Nr of electricity backlogs eliminated	Backlogs eliminated	70 Backlogs eliminated	158 Electricity backlogs to be eliminated by June 2016 - Urban Settlement	152 Backlogs eliminated		Some houses in Tigane not yet completely built	Complete the Tigane housing project	14 Backlogs eliminated		
ELE8	Nr and % of households with access to basic level of electricity	815 Households 63%	899 Households 54.38%	815 and 30% of households with access to basic level of electricity by June 2016 - Rural Settlement	899 Households 54.38%		-	-	55%		
ELE9	Nr of households without access to basic level of electricity	477 Households	539 Households	1 441 Households without access to basic level of electricity by June 2016 - Rural Settlement	2 034 Households		More informal settlements and CPA's within rural areas established	N/A	N/A		
ELE10	Nr of electricity backlogs eliminated	Backlogs eliminated	10 Backlogs eliminated	DElectricity backlogs to be eliminated by June 2016 - Rural Settlement (Jurisdiction of Eskom)	0 Backlogs eliminated Submitted a report to Eskom		-	-	10 Backlogs eliminated		

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

SECTION: REFUSE REMOVAL SERVICES

02011	EO HOR. REI GOE REMOVAE GERVIOLO										
NR	INDICATOR	MEASURABLE OBJ	ECTIVE: To pro	ovide basic municipal services	to ensure the access	thereof					
CLE1	Nr and % of households with access to basic level of refuse removal	161 454 Households 100%	163 612 Households 100%	163 612 and 100% of households with access to basic level of refuse removal by June 2016 - Urban area	164 644 Households 100%		-	164 644 and 100% of households			
CLE2	Nr of households without access to basic level of refuse removal	0 Households	0 Households	Zero Households without access to basic level of refuse removal by June 2016 - Urban area	0 Households	-	-	0 Households			
CLE3	Nr of refuse removal backlogs eliminated - Urban area	0 Backlogs eliminated	0 Backlogs to eliminate	Zero refuse removal backlogs to be eliminated by June 2016 - Urban area	0 Backlogs to eliminate		-	0 Backlogs to eliminate			
CLE4	Nr and % of households with access to basic level of refuse removal	0 Households 0%	0 Households 0% (Cannot render service on un- proclaimed land)	0 and 0% of households with access to basic level of refuse removal by June 2016 - Rural area (Unproclaim land)	0 Households 0% (Cannot render service on un- proclaimed land)		-	0 Households 0%			
CLE5	Number of households without access to basic level of refuse removal	2 655 Households	3 613 Households	3 613 Households without access to basic level of refuse removal by June 2016 - Rural area (Unproclaim land)	3 613 Households		-	3 613 Households			
9ETO	Nr of refuse removal backlogs eliminated	0 Backlogs eliminated	Backlogs eliminated (Cannot eliminate backlogs on un- proclaimed land)	Zero refuse removal backlogs to be eliminated by June 2016 - Rural area (Unproclaim land)	Backlogs eliminated Cannot eliminate backlogs on unproclaimed land)	-	-	Backlogs eliminated			

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT **DIRECTORATE: FINANCIAL SERVICES Previous Financial Years** 2015/16 Financial Year Measures Taken **National Key Performance Actual Performance** 2016/17 Reason for Rating to Improve Indicators Actual Deviation **Financial Year** 2013/14 2014/15 Performance **Annual Target** Performance Indigent Subsidy for Free Basic Services allocations to comply with legislation NR **INDICATOR MEASURABLE OBJECTIVE:** R value spend on free R246 603 157 R143 527 659 R158 400 000 spend on R38 644 203 R123 302 736 All applicants basic services free basic services by REV4 June 2016 - (Account assisted Holders) 20 000 45 448 Approved 38 393 Approved 20 000 Approved 16 840 Number of approved households with free households households households with free basic All applicants Approved basic services services (indigents) by assisted households June 2016 (indigents) 100% % Registered 53% 45% 100% Registered 100% households earning less All applicants households earning less than R2 860 per than R2 860 per month by assisted month June 2016 - (vs. total active accounts) R12 478 554 R13 273 327 At least R10 000 000 R4 861 366 Only one additional R12 589 392 R value spend on free Awaiting approval basic alternative spend on free basic purchase for one of new tender. alternative services by drum per consumer tender closed 13 services instead of 3 made due June 2016 April 2016 to the fact that the

3 560 Approved

households

3 300 Approved rural

alternative energy (indigents) by June 2016

settlements with free basic

3 328 Approved

households

3 219 Approved

households

Rural settlements with

free basic alternative

energy (indigents)

approved

REV8

tender has expired

3 300 Approved

households

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT											
DIRECT	DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT										
Nation	nal Key Performance	Previous Financial Years Actual Performance		2015/16 Financ	2015/16 Financial Year		Reason for	Measures Taken to Improve	2016/17		
	Indicators	2013/14	2014/15	Annual Target	Actual Performance	Rating	Deviation	Performance	Financial Year		
NR	INDICATOR	MEASURABLE OB		ent a percentage of municipal		nenting its w	orkplace skill plan				
LED1	Number of permanent and jobs exceeding 3 months jobs created - Urban Area	1 596 Jobs created	1 541 Jobs created	Creating 800 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects by June 2016 - Urban Area	868 Jobs created		-	-	800 Jobs created		
LED2	Number of permanent and jobs exceeding 3 months jobs created - Rural Area	114 Jobs created	100 Jobs created	Creating 35 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects by June 2016 - Rural Area	35 Jobs created		-	-	30 Jobs created		
KEY PE	RFORMANCE AREA 4:	MUNICIPAL FINANC	IAL VIABILITY & MAN	NAGEMENT							
DIRECT	ORATE:CORPORATE S	SERVICES									
NR	INDICATOR	MEASURABLE OB	JECTIVE: To sp	ent a percentage of municipal	lity's budget on implen	nenting its w	orkplace skill plan				
SKIL1	Rand value of Skills Development (Training) expenditure for 2015/16	R939 520	R1378181	R1 560 000 spend on Skills Development (Training) expenditure for 2015/16 by June 2016	R294 069		Delay of the signing of SLA's hindered the commencement of training interventions implementation	Appointment of Service Providers and signing of SLA's was finalized in April.	R1 650 000		

KEY PER	KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DIRECTO	DIRECTORATE:CORPORATE SERVICES										
Nation	al Key Performance		nancial Years erformance		2015/16 Financi		Rating	Reason for	Measures Taken to Improve Performance	2016/17	
	Indicators	2013/14	2014/15		Annual Target	Actual Performance	ramg	Deviation		Financial Year	
NR	INDICATOR	MEASURABLE OF		To spe	ent a percentage of municipali		ementing its w	orkplace skill plan			
SKIL2	Levy Skills Development for 2015/16	R3 624 904	R3 734 516		R4 200 000 spend on Levy Skills Development for 2015/16 by June 2016	R4 071 448				R4 170 346	
SKIL3	SETA Training expenditure for 2015/16	R1 478 611	R1 133 181		R1 500 000 spend on SETA Training expenditure for 2015/16 by June 2016	R297 512		Delay of the signing of SLA's hindered the commencement of training interventions implementation	Appointment of Service Providers and signing of SLA's was finalised by April, and training interventions commenced in May 2016	R4 000 000	
SKIL4	SETA Training Income / Rec for 2015/16	R857 008	R514 005		R1 500 000 collected for SETA Training Income / Rec for 2015/16 by June 2016	R727 821		Training Income for all Municipalities is determined by LGSETA	N/A	R4 000 000	
DIRECTO	RATE:FINANCIAL SER	VICES									
NR	INDICATOR	MEASURABLE OF			ercentage of a municipality's c inicipality's IDP	apital budget actua	lly spent on ca	apital projects identified fo	r a particular financia	l year in terms of	
BUD3	MIG expenditure a % of annual allocation	R54 762 165 72%	R32 714 055 38%		MIG expenditure as 100 % of annual allocation (R84 493 000) by June 2016 (excluding roll-overs)	R78 351 695 92.73%		Late appointments from contractors	Some invoices still to go through on year end closing.	R83 151 440 75%	

National Key Performance Indicators			inancial Years erformance	2015/16 Financia	l Year	Rating	Reason for	Measures Taken	2016/17
		2013/14 2014/15		Annual Target Actual Performance		Raung	Deviation	to Improve Performance	Financial Ye
NR	INDICATOR	MEASURABLE OF		cial Viability expressed (National		Indicators)			
BUD12	Ratio for Debt coverage for 2014/15	24.21:1	5.291:1	Annual Debt coverage ratio for 2014/15 by September 2015 A=(B-C) / D Where: "A" represents debt coverage "B" represents total operating revenue received "C" represents operating grants "D" represents debt service payments (i.e. interest + redemption) due within the FY	21.8%		Growing outstanding Debt Book due to non-payments for services	Implementation of Revenue enhancement strategy as per Financial Recovery plan	21.8%
BUD4	Ratio for Cost coverage for 2014/15	1:1,3	0.35:1	Annual Cost coverage ratio for 2014/15 by September 2015 A=(B+C)/D Where: "A" represents cost coverage "B" represents all available cash at a particular time "C" represents investments "D" represents monthly fixed operating expenditure	0.42		Poor Cash Flow as a result of lack of income	In Proof Cash Flow as set out in Financial Recovery Plan	0.42

KEY PER	KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT										
DIRECTO	RATE:FINANCIAL SER	VICES									
Nation	al Key Performance	Previous Financial Years Actual Performance		2015/16 Financial Year		Rating	Reason for	Measures Taken to Improve	2016/17		
	Indicators	2013/14 2014/15		Annual Target Actual Performance		Rating	Deviation	Performance	Financial Year		
NR	INDICATOR	MEASURABLE OF		al Viability expressed (Nationa		Indicators)					
BUD13	% of Outstanding Service Debtors to Revenue ratio for 2014/15	211%	97%	Annual Outstanding Service Debtors to Revenue ratio for 2014/15 by September 2015 A=B/C Where: "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services	23%		Growing outstanding Debt Book due to non-payments for services	Implementation of Revenue enhancement strategy as per Financial Recovery plan	23%		
KEY PER	FORMANCE AREA 5: G	OOD GOVERNANCE	AND PUBLIC PARTI	CIPATION							
DIRECTO	RATE: CORPORATE S	ERVICES									
NR	INDICATOR	MEASURABLE OF	JECTIVE: The nu	mber of people from employme	nt equity target gro	oups employe	d in the first three highest	levels of			
RS1	Number of male employees on the first three highest levels of management	33	28	Appointing 32 male employees on the first three highest levels of management by June 2016	26		Moratorium on the filling of all positions from Office of the MEC	N/A	29		
RS2	Number of female employees on the first three highest levels of management	11	12	Appointing 14 female employees on the first three highest levels of management by June 2016	9		Moratorium on the filling of all positions from Office of the MEC	N/A	16		

13. Report of the Audit Committee of Matlosana Local Municipality for the year ended 30 June 2016

1. Introduction

The Audit Committee ("the Committee") is pleased to present its report for the financial year ended 30 June 2016.

2. Committee Composition

The Committee was established in accordance with the prescripts of the MFMA No 56 of 2003, pursuant to a Council resolution taken on the 21ST October 2014. The commencement date of the tenure of the AC was determined as 1St November 2014.

The Committee is comprised of 5 independent members who are not in the employ of the municipality. In addition, no members are political office bearers.

As per Council resolution the 5 members reflected in the table were appointed. The Chairperson and the members attended the following meetings:

		AUDIT MEMBERS							
DATE	TYPE OF MEETING	MI MOTALA Chairperson	N MAAPE	PC MALEMOLE	L MOSOETSA				
04 August 2015	Special Audit Committee	Present	Present	Apology	Present				
24 August 2015	Special Audit Committee	Present	Present	Present	Present				
22 September 2015	Special Audit Committee	Present	Present	Present	Apology				
29 October 2015	Audit Committee	Present	Present	Present	Present				
25 November 2015	Special Audit Committee	Present	Present	Present	Apology				
22 January 2016	Audit Committee	Present	Present	Present	Present				
22 April 2016	Audit Committee	Present	Present	Present	Apology				
30 June 2016	Special Audit Committee	Present	Present	Present	Apology				
Total of number of n	neetings attended	8	8	7	4				

3. Roles and Responsibilities

The primary objective of the Audit Committee is to advise the municipal council, political office—bearers and assist the Accounting Officer and management staff of the municipality in the effective discharge of their responsibilities with regard to risk management, internal control and governance and the ultimate aim of the achievement of the organisation's objectives.

The Audit Committee is an independent advisory body that performs its functions in terms of Section 166 of the Municipal Financial Management Act (MFMA) 56 of 2003 and King III Report on Corporate Governance.

The Committee is also tasked with the review of the Annual Financial Statements and Annual Performance Report.



4. Internal Audit

The Internal Audit Activity ("the IAA") under the direction of the Chief Audit Executive and endeavours to provide assurance to the Committee on the internal controls within the Municipality. During the period under review numerous assignments were undertaken, the results of which were presented to the Committee. In the 2015/16 financial year the Committee noted that the implementation on corrective action on internal control weaknesses identified was partially effective. The Committee notes with regret that there has not been any marked improvement in this regard in the year under review. The Committee notes with regret that it had made a similar finding in the previous financial review.

One of the key challenges faced by the IAA was the omission of management to provide comments on the findings of the IAA.A further challenge related to the implementation of the recommendations of the IAA and the Committee. The cause of this in the opinion of the Committee is the lack of a structured and institutional manner in which these recommendations are processed. In addition there are no consequences for managers not implementing these recommendations. Once again it is recorded that a similar finding was made by the Committee in its report for the 2014/15 financial year. The Committee notes with regret that despite the fact that the Municipality was placed under administration in terms of section 139(1) (b) of the Constitution no improvement was recorded.

The Committee had requested a report on the control environment to enable it to assess the adequacy thereof and suggest improvements but this was not forthcoming. In the year to follow, the Committee will again request a report on the control environment to enable it to continue to monitor progress on implementation and advice on improvements.

5. Performance Management

In its report for the 2014/15 Financial Year the Committee reflected on the following:

- → Receiving reports after tabling in Council and the absence of these reports having been quality assured by IA prior to submission. The risk is an obvious one namely the adoption of reports which have not been quality assured by either the IA or the Committee. In other words there is no independent verification of the information tabled in Council and hence impacts on the issue of reliability of information contained in the reports to Council.
- → The Committee being unable to effectively perform its mandate partly due to none or late submission of information by certain directorates. This resulted in the consolidated reports being submitted long after the end of a particular quarter and in all cases not being subjected to a process of internal audit prior to submission to the Committee and Council.
- → Failure by management to hold quarterly performance review sessions

The Committee regrets that these findings remain for the period under review. The analysis of the Committee indicates that this state of affairs is primarily due to the inordinate and unexplained delay by Council in filling the vacancies at the level of senior management.

The situation was exacerbated by a "directive" from the Provincial Government that a moratorium be placed on the filling of all vacancies. It is the view of the AC which was communicated to Council that there exists



no legislative basis for the moratorium. Council was advised to ignore same and fill the critical vacant senior management posts.

6. Review of the Annual Performance Report (APR) and Annual Financial Statements(AFS) for the year ended 30 June 2016

The Audit Committee managed to review the AFS and the APR. At its first sitting the AC was unable to review the AFS due to incompleteness. A special meeting was convened at the 11th hour on a Sunday at the behest of the Administrator.Regrettably none of the senior managers or the Administrator attended and the AC had to engage with the consultants.

The Committee considered the AFS and the APR for the year ended 30 June 2016 and reviewed it for material compliance with regulation and the appropriate accounting policies, standards and practices, prior to submission to the Auditor-General of South Africa (AGSA) to perform the regulatory audit. Recommendations were made on certain amendments to be effected prior to submission. The AC has not had sight of the final version of the AFS and cannot confirm whether the recommended amendments were effected prior to submission to the AG.

7. Risk Management

The Committee is pleased that the Risk Management Committee has been established and chaired by a member of the Audit Committee. Both strategic and operational risks have been identified and risk registers compiled. The challenge is the implementation of risk mitigation strategies and the Committee is concerned that due to the parlous financial situation of the Municipality not much progress will be registered in the foreseeable future. One of the most critical risks facing the Municipality and presents a huge exposure in terms of loss of life and limb relates to occupational health and safety. In addition the financial exposure is dire.

8. Irregular Expenditure and Consequence Management

The Committee has on numerous occasions expressed its concern at the failure by Council to address the huge cumulative irregular expenditure which has increased during the reporting period. The cause is both failure to address systemic issues and failure to implement consequence management. In particular the omission by Council to recover from individual's loss occasioned to the Municipality is of serious concern. The Committee is of the view that effective implementation of consequence management is necessary to effect behavioural changes amongst those officials seized with the mandate to procure goods and services on behalf of the Municipality. Despite the Municipality being placed under administration no progress was registered in terms of addressing the historical accumulated irregular expenditure. Regrettably the irregular expenditure balance increased during the reporting period.

9. Conclusion

We would like to express a word of gratitude to the Administrator, Speaker, MMCs, and MPAC.We also wish to thank the Acting Municipal Manager, Managers and other officials and the IA unit for the support and co-operation with the Audit Committee. We would be remiss in our duty if we fail to also express our indebtedness to the team from the Office of the Auditor-General for their guidance and support during the course of the financial year.

Mi Motala

CHAIRPERSON: AUDIT COMMITTEE MATLOSANA LOCAL MUNICIPALITY

Date: 21st November 2016





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

INTRODUCTION

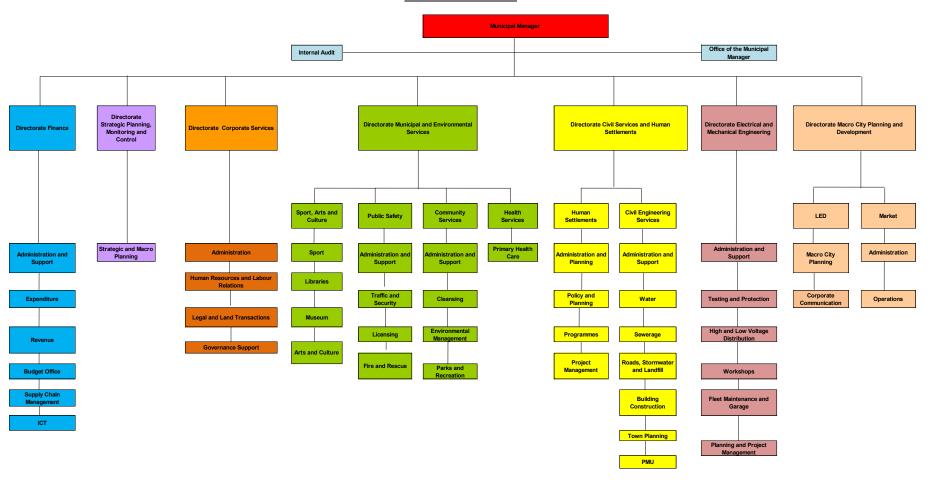
The municipality consists of seven directorates, namely Electrical and Mechanical Engineering, Municipal and Environmental Services, Macro City Planning and Development, Corporate Services, Financial Services, Civil Services and Human Settlements and Strategic Planning, Monitoring and Control.

The City of Matlosana has an approved complement of 2 482 posts of which 2 077 were filled.

The municipality's top structure is as follows:

CITY OF MATLOSANA

OVERHEAD STRUCTURE



COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

	EMPLO	DYEES						
	2013/14		2014/15					
DESCRIPTION	Employees	Approved Posts	Employees	Vacancies	Vacancies			
	No	No	No	No	%			
Water Services	105	125	108	17	14%			
Sanitation Services	155	170	158	12	7%			
Electrical and Mechanical Engineering	120	152	129	23	15%			
Solid Waste Management Services	327	412	348	64	16%			
Human Settlements	18	23	18	5	22%			
Roads and Storm-Water Drainage	157	183	165	18	10%			
Licensing Services	55	103	54	49	48%			
Administration Town-Planning, Building Survey, Building Construction and PMU	55	67	63	4	6%			
Local Economic Development	15	20	15	5	25%			
Fresh Produce Market	40	44	37	7	16%			
Libraries and Museum	79	86	74	12	14%			
Cemeteries	54	63	52	11	17%			
Parks, Open Spaces, Faan Meintjes, Orkney Vaal and Aerodrome	187	219	196	23	11%			
Sport and Recreation	94	115	96	19	17%			
Health Services	13	16	13	3	19%			
Traffic, Security, Fire and Disaster Management	237	273	231	42	15%			
Strategic & Regulatory (PMS, IDP, IA, MPAC and Risk Management)	7	10	7	3	30%			
Corporate Policy Offices and Other	301	401	313	88	22%			
TOTAL	2 019	2482	2077	405	16%			



TURN-OVER RATE										
Total Appointments Year as of beginning of Financial Year		as of beginning of New Appointments		Turnover Rate						
2012/13	2 253	54	106	4.70%						
2013/14	2 206	83	124	5.62%						
2014/15	2 132	18	135	6.33%						
2015/16	2 019	242	147	7.28%						

VACANC	Y RATE: 2015/16		
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
Municipal Manager	1	1	100%
CFO	1	1	100%
Other s56 Managers (excluding Finance posts)	6	4	67%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security	175	18	10%
Fire fighters	39	3	8%
Senior management: Levels 1 - 3 (excluding Finance posts)	36	8	22%
Senior management: Levels 1 - 3 (Finance posts)	8	3	38%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	114	16	14%
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	7	32%
TOTAL	402	61	15%



COMMENTS ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 405 vacancies or a 16 % vacancy rate which is 3% lower than the 2014/15 vacancy rate of 19%.

The turnover rate which totalled 7.28% is steadily increasing if compared over the last 332.6 financial years. A total of 242 positions were filled during the 2015/2016 financial year while 147 terminations were recorded.

Terminations/staff turnover was as a result of retirements (32.6%), resignations (34.9%), dismissals (5.4%), ill health (3.8%), contract expired (3.1%) and death (20.2%).

A high turnover rate can be costly to the municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge.

The filling of vacancies remains a challenge due to the financial situation of the municipality.

The status of the section 54A and 56 managers is as follows:

DESIGNATION	STATUS
Municipal Manager	Vacant
Director Finance (Chief Financial Officer)	Vacant
Director Corporate Services	Vacant
Director Municipal and Environmental Services	Vacant
Director Civil Services and Human Settlements	Vacant
Director Macro City Planning and Development	Filled
Director Electrical and Mechanical Engineering	Vacant
Director Strategic Planning, Monitoring and Control	Filled

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The City of Matlosana acknowledges that its most important assets are its employees. The onus therefore is on the municipality to ensure that these assets are developed, maintained and motivated to ensure that the municipal work force services are sustained.

This is achieved through proper human resource processes and procedures aligned to section 67 of the Municipal Systems Act (Act 32 of 2000) as amended which ensure compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

Municipal Workforce management is achieved through the HR Strategy, adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace.



Policy Review and Development

The municipality regularly reviews its Policies, process and procedures. This is aimed at ensuring that all processes are followed and implemented. Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

Workplace Programmes

Employee Assistance Programme (EAP)

In its strive to sustain a healthy workforce the municipality has an Employee Assistance Programme which is a workplace based programme designed to assist in the identification and resolution of productivity and psychosocial problems which may negatively affect the work performance of employees.

Services rendered under it are:

- → Work related issues such as absenteeism;
- Stress management;
- Alcohol and substance abuse;
- III Health Management;
- Psycho-social problems;
- Financial life skills;
- Trauma debriefing;
- Bereavement counselling;
- Marital and family distress;
- Child Care:
- HIV/AIDS Support and Counselling.

Labour Relations

Workforce management is almost impossible in the absence of sound discipline within the workplace.

The municipality's labour relations section, which is contained in the Human Resources Department, is effective and well recognised. In essence the objectives of this particular function are as follows: to

- Ensure compliance with applicable relevant legislative requirements e.g. Labour Relations, Basic Conditions
 of Employment Act, Employment Equity etc;
- maintain good work relations with recognised Unions within the workplace;
- ensure fully functional Local Labour forum and its operational systems. It consists of sub committees dealing with Human Resources Development, Workplace and Services Restructuring and Basic Conditions;
- ensure adherence to collective agreements applicable to municipalities as agreed to at the Local Government Bargaining Council;
- ensure that discipline is corrective and progressive and not merely punitive;
- ensure that processes and procedures are in place for the internal resolution of grievances which have the potential for litigation against Council in the form of disputes;
- ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code; and



Occupational Health and Safety

To ensure a healthy and safe working environment, the City of Matlosana complies with the Occupational Health and Safety Act and has a fully functional Health & Safety Committee which meets quarterly to address health and safety issues facing the municipality.

4.2 POLICIES

	HR POLICIE	ES AND PLANS		
		COMPLETED	REVIEWED	DATE ADOPTED BY
	NAME OF POLICY	%	%	COUNCIL OR COMMENT ON FAILURE TO ADOPT
1	Affirmative Action			
2	Attraction and Retention	100%	100%	4 September 2012
3	Code of Conduct for employees	100%	100%	25 September 2013
4	Delegations, Authorisation & Responsibility	100%	100%	5 February 2009
5	Disciplinary Code and Procedures	100%	100%	4 September 2012
6	Essential Services			
7	Employee Assistance / Wellness	100%	100%	25 September 2013
8	Employment Equity	100%	100%	25 September 2013
9	Exit Management			
10	Grievance Procedures	100%	100%	29 November 2012
11	HIV/Aids	100%	100%	4 September 2012
12	Human Resource and Development			
13	Information Technology	100%	100%	29 January 2016
14	Job Evaluation			
15	Leave	100%	100%	29 November 2012
16	Occupational Health and Safety	100%	100%	4 September 2012
17	Official Housing			
18	Official Journeys	100%	100%	29 November 2012
19	Official Transport to attend Funerals	100%	100%	4 September 2012
20	Official Working Hours and Overtime			
21	Organisational Rights	100%	100%	25 September 2013
22	Payroll Deductions			
23	Performance Management and Development	100%	100%	28 July 2015
24	Recruitment, Selection and Appointments	100%	90%	25 September 2013
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	4 September 2012
28	Skills Development	100%	100%	25 September 2013

29	Smoking	100%	100%	4 September 2012
30	Special Skills			·
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	4 September 2012
33	Other: Telephone	100%	100%	4 September 2012
34	Retirement Planning	100%	100%	4 September 2012
35	Records Management	100%	100%	25 November 2014
36	Legal Services	100%	100%	29 November 2012
37	National Fresh Produce Market	100%	100%	29 November 2012
38	Billboards	100%	100%	29 November 2012
39	Internet	100%	100%	29 November 2012
40	Servers Security	100%	100%	29 November 2012
41	Workstation Security	100%	100%	29 November 2012
42	Email Use	100%	100%	29 November 2012
43	Study and Bursary	100%	100%	25 September 2013
44	Web Content Management	100%	100%	25 September 2013
45	Project Management Framework Policy	100%	100%	25 September 2013
46	Corporate Identity	100%	100%	25 September 2013
47	Risk Management	100%	100%	25 September 2013
48	Risk Management Strategy	100%	100%	25 September 2013
49	Fraud & Corruption Prevention Strategy	100%	100%	25 September 2013
50	Investigation Policy	100%	100%	25 September 2013
51	Use of Council Vehicle Policy	100%	100%	25 September 2013
52	Media Policy	100%	100%	25 September 2013
53	Administration of Immovable Property	100%	100%	25 November 2014
54	Induction	100%	100%	4 September 2012
55	Investors	100%	100%	29 November 2012
56	Public Private Partnership	100%	100%	29 November 2012
57	Expanded Public Works Programme	100%	100%	29 November 2012
58	Software Installation Services	100%	100%	29 January 2016
59	Password Protection	100%	100%	29 January 2016
60	Back-up Management	100%	100%	29 January 2016
61	User Account Management	100%	100%	29 January 2016
62	Co-operative	100%	100%	29 January 2016
63	Informal Trading	100%	100%	29 January 2016



COMMENT ON WORKFORCE POLICY DEVELOPMENT

Human Resources maintain and develop policies and procedures which comply with applicable legislation and provide the necessary guidelines and awareness to employees on issues related to the workplace.

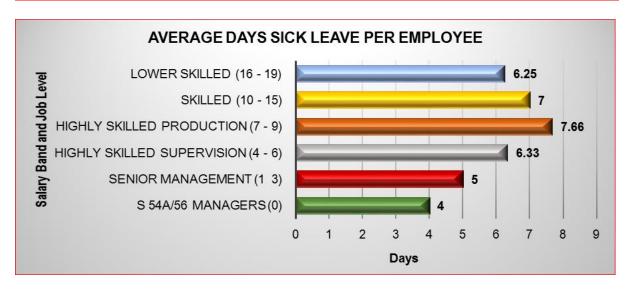
The above-mentioned table indicates the HR policies and plans that have been developed and approved by Council.

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF INJURIES ON DUTY DURING 2015/16											
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average Injury leave per employee							
	Days	No	%	Days							
Required basic medical attention only	60	60	100%	12							
Temporary total disablement	5	5	100%	1							
Permanent disablement	0	0	0%	0							
Fatal	0	0	0%	0							
Total	65	65	100%	13							

	NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2015/16											
Job Level	Salary Band	Total Number Of Sick Leave Days Per Post Level	Portion Of Sick Leave Without Medical Certification	Number Of No Sick Notes Received	Number of Employees Using Sick Leave	Total Employees In Post	Average Days Sick Leave Per Employee	Estimated Cost				
		DAYS	%	DAYS	NO	NO	DAYS	R' 000				
S 54A/56	Managers	4	0	0	1	2	4	12				
1	ement	0	0	0	0	1	0	1				
2	Senior management	37	5.41	2	5	8	5	2				
3	Senior	251	2.79	7	14	24	10	3				
4	no	29	24.14	7	7	12	2	4				
5	Highly skilled supervision	326	9.82	32	24	47	7	5				
6	High	561	11.23	63	41	57	10	6				

TOTAL		13 690	11.49	1 573	1 279	2 077	11	5 570
19		5184	9.55	495	520	886	6	19
18	skilled	229	22.27	51	26	23	10	18
17	Lower	732	9.84	72	59	128	6	17
16		198	7.58	15	20	72	3	16
15		658	18.09	119	54	111	6	15
14		465	16.77	78	49	72	6	14
13	Skilled	494	13.77	68	43	83	6	13
12	pel	499	13.43	67	58	115	4	12
11		1364	13.78	188	116	121	11	11
10		911	10.21	93	77	104	9	10
9	High	1050	13.24	139	91	104	10	9
8	Highly skilled production	444	11.49	51	43	59	8	8
7	led no	254	10.24	26	31	48	5	7



COMMENTS ON INJURY AND SICK LEAVE

The Human Resource unit, through its EAP unit as well as user departments monitor the sick leave records of officials. Injuries on duty are minimal. In order to discourage perpetual absenteeism, regular road shows by HR are conducted, where the leave policy is work shopped.

Where it is necessary, an individual is referred for second opinion. Once substance abuse is established, officials are sent for evaluation by professional Psychologists and if necessary, sent for rehabilitation.



Although the municipality has not appointed a doctor, officials are sent to professional medical/Psychologists professionals and payment is effected by the municipality as and when necessary.

NUMBER AND PERIOD OF SUSPENSIONS

	NUMBER AND PERIOD OF SUSPENSIONS											
Position Nature of Alleged Misconduct		Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised								
Assistant Director : Water	Failure to comply with lawful instructions	17/04/2015	On the 27th June 2016 the case postponed sine die	Not finalized								
Chief Audit Executive	Maliciously revealing privileged and confidential information to the public	28/08/2015	Matter postponed: sine die	Not finalized								
Sub-Accountant: Indigents	Financial misconduct	23/07/2015	Matter postponed: sine die	Not finalized								
Traffic Officer	Bribery	01/04/2016	Matter postponed: to 14 & 15/08/2016	Not finalized								

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT										
Position Nature of Alleged Misconduct and Rand Disciplinary value of any loss to the municipality action taken										
Sub- Accountant	Financial Misconduct	Suspension	Not yet finalised							

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

All cases relating to financial misconduct have been finalised, only one remains to be finalised.

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after –

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.



The evaluation of the performance of section 54A and 56 managers forms the basis for rewarding outstanding performance.

No performance bonus was awarded to section 54A and 56 mangers due to no quarterly assessments being performed.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The City of Matlosana develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is also aimed at providing career guidance and support to employees and coordinating their development through structured learning.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). All training needs that have been identified through the Council's Skills Audit and found to be a priority for the financial year were addressed through formal, informal training- and skills programmes.

The City of Matlosana annually submits a Workplace Skills Plan (WSP) and an Annual Training Report (ATR) as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA).

During the 2015/2016 financial year these documents were submitted to LGSETA and received the necessary mandatory grants to further skills development initiatives within the municipality.

For the 2015/2016 financial year, a total of R4 071 448 or 96.9% was spent on skills development in comparison with the previous financial year spending of R3 734 516.

4.5 SKILLS DEVELOPMENT AND TRAINING

						SKILLS M	ATRIX							
		Employees		Number of skilled employees required and actual as at 30 June 2015										
Management	Gender	in post as at 30 June 2015	L	Learner ships			ogrammes nort cours		Other forms of training (Internship)			Total		
level		No	Actual: End of 2014/15	Actual: End of 2015/16	2015/16 Target	Actual: End of 2014/15	Actual: End of 2015/16	2015/16 Target	Actual: End of 2014/15	Actual: End of 2015/16	2015/16 Target	Actual: End of 2014/15	Actual: End of 2015/16	2015/16 Target
MM and s 56	Female	1		0	0		0	2		0	1		1	3
IVIIVI AITU S 50	Male	2		0	0		0	2		0	1		2	3
Councillors, senior	Female	35		0	15		0	15		10	5		10	35
officials and managers	Male	73		0	20		20	10		15	5		35	35
Technicians and	Female	27		10	10		10	10		15	5		35	25
associate professionals	Male	140		60	60		60	30		15	10		135	100
Drofossianala	Female	108		40	50		60	50		10	10		110	110
Professionals	Male	81		40	30		40	30		20	10		100	70
Cub total	Female	171		50	75		70	77		80	31		20	183
Sub total	Male	226		100	110		120	72		60	31		30	213
TOTAL		467	0	300	370	0	380	298	0	225	109	0	478	777

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2015/16									
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidate d: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))			
Financial Officials									
Accounting Officer	0	_	0	0	0	0			
Chief Financial Officer	0	_	0	0	0	0			
Senior managers	2	_	2	0	2	2			
Any other financial officials	26	_	26	0	0	18			
Supply Chain Management Officials		_		0					
Heads of Supply Chain Management units	0	_	0	0	0	0			
Supply Chain Management senior managers	1	_	1	0	0	0			
TOTAL	29	0	29	0	2	20			

SKILLS DEVELOPMENT EXPENDITURE										
										R'000
		Employees		Original Bud	dget and Actua	al Expenditur	e on skills d	evelopment :	2015/16	
Management level	Gender	as at 1 July 2016	Learner s	hips	Skills progr			orms of ning	Tot	al
		No	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and s56	Female	1	-	_	187	-	5	_	192	_
Will and 550	Male	2	-	_	187	-	10	-	197	-
Legislators, senior officials and	Female	35	_	_	187	-	20	_	207	_
managers	Male	73	-	-	187	_	20	_	207	_
Professionals	Female	108	-	_	187	20	20	_	207	20
FIGUESSIONAIS	Male	81	-	-	187	30	20	-	207	30
Technicians and associate	Female	27	150	50	187	30	40	_	377	80
professionals	Male	140	150	50	187	20	40	-	80	70
Clerks	Female	222	150	50	187	30	55	10	393	90
Clerks	Male	91	150	50	187	30	55	10	377	90
Coming and calca workers	Female	59	150	50	187	20	40	10	377	80
Service and sales workers	Male	142	150	50	187	30	40	10	377	90
Plant and machine operators and	Female	8	150	50	187	30	35	15	373	95
assemblers	Male	277	15	50	187	30	80	15	417	95
Clamentany acquiretions	Female	369	150	50	187	20	400	10	737	80
Elementary occupations	Male	550	150	50	187	30	350	10	687	90
Cultitatal	Female	971	750	200	1 496	150	615	45	2 861	395
Subtotal	Male	1 356	750	200	1 496	160	565	45	2 784	405
TOTAL		2 327	1 500	400	2 992	310	1 180	90	5 672	800



COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilisation and training of staff.

Capacitate 50% of the remaining Finance officials through the Municipal Finance related skills programs, train 50% of all those officials who have not met the competency requirements as per the National Treasury Regulations and 30% of all workforce on identified skills programs during this financial year.

Currently Human Resources have already capacitated 35% of the Finance Officials in terms of Competency Regulations and the skills acquired seem to have upgraded the level of performance in terms of the officials concerned. In terms of budget, this office has spent only about only 25% due to the delay regarding appointment of service providers.

We are anticipating spending 100% of the budget by the end of the current financial year.

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COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

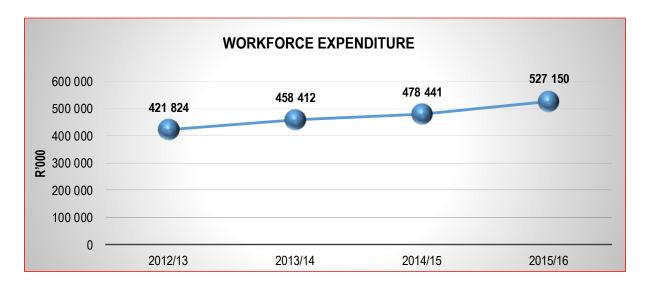
Workforce expenditure is a major part of the operational expenditure of the City of Matlosana. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service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

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

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism).

Performance management is of the utmost importance to increase the efficiency and thus output out of the workforce. There is still a way to go so as to implement the necessary measures and controls with the necessary buy-in of employees.

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE

Personnel expenditure has decreased from 24. 65% in the 2014/15 financial year to 20.45% in the 2015/16 financial year. This can be contributed to the non-filling of vacant posts and financial constraints of council.

This said percentage is well within the National Treasury guideline of 30%.

UPGRADED POSTS	
Number of employees whose salaries were increased due to their positions being upgraded	None
Employees whose salary levels exceed the grade determined by job evaluation	None
Employees appointed to posts not approved	None

DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of the Local Government: Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers, 2006 disclosures are made by Councillors and senior managers concerning their financial interests. See **Appendix J**.

COMPONENT E: OVERSIGHT REPORTING

4.7 STAFF ESTABLISHMENT

STAFF E	STABLISHMENT
Does the City of Matlosana have an approved staff establishment?	Yes, it was approved in terms of CC 66/2012 dated 31 July 2012
Does the staff establishment provide for permanent and fixed posts?	Yes All senior manager positions are for a fixed term
If yes, provide details of the approved senior manager posts (permanent and fixed posts).	Municipal Manager Director Strategic Planning, Monitoring and Control Director Corporate Services Director Finance Director Civil Services and Human Settlements Director Electrical and Mechanical Engineering Director Municipal and Environmental Services Director Macro City Planning and Development
Was the staff establishment consulted with the MEC before approval by Council?	No
If no, provide reasons	The Municipal Systems Amendment Act, 7 of 2011, stipulates that the posts provided for on the organogram must be approved by the Municipal Council
Were the recommendations of the MEC incorporated into the approved structure?	N/A
If no, provide reasons	N/A



4.8 APPOINTMENT OF SENIOR MANAGERS

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER							
	Term of Employment			Was the senior manager	Does the senior	Does the senior	
Post Title	Annual Salary	From	То	Highest Qualifications	subjected to competence assessment?	manager hold political office?	manager have a misconduct / criminal record?
Municipal Manager	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Strategic Planning, Monitoring and Control	1 190 868	17/04/2012	16/04/2017	BA Honours in Management and Development	No	No	No
Director Corporate Services	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Finance	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Civil Services and Human Settlements	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Electrical and Mechanical Engineering	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Municipal and Environmental Services	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Macro City Planning and Development	1 190 868	17/04/2012	16/04/2017	Masters in Development and Management	No	No	No



4.9 EMPLOYMENT CONTRACTS

EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER								
Post Title	Has the senior manager signed the employment contract with the municipality before commencement of duty?	Has the contract been submitted to the MEC within the prescribed timeframe?						
Municipal Manager	Vacant	Vacant						
Director Strategic Planning, Monitoring and Control	Yes, 16 April 2012	Yes, 30 April 2012						
Director Corporate Services	Vacant	Vacant						
Director Finance	Vacant	Vacant						
Director Civil Services and Human Settlements	Vacant	Vacant						
Director Electrical and Mechanical Engineering	Vacant	Vacant						
Director Municipal and Environmental Services	Vacant	Vacant						
Director Macro City Planning and Development	Yes, 16 April 2012	Yes, 30 April 2012						

4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES)									
Post Title	Has the senior manager concluded a performance agreement with the municipality within the stipulated timeframe?	Has the performance agreement been submitted to the MEC within the prescribed timeframe?	Is the performance agreement aligned to the SDBIP of the municipality?	Is the SDBIP aligned to the IDP of the municipality?	Did the senior manager receive a performance bonus for the previous year?				
Municipal Manager	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Strategic Planning, Monitoring and Control	Yes, 24 June 2015	Yes, 07 July 2015	Yes	Yes	No				
Director Corporate Services	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Finance	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Civil Services and Human Settlements	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Electrical and Mechanical Engineering	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Municipal and Environmental Services	Vacant	Vacant	Vacant	Vacant	Vacant				
Director Macro City Planning and Development	Yes, 24 June 2015	Yes, 07 July 2015	Yes	Yes	No				



4.11 MINIMUM COMPETENCY REQUIREMENTS

MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

DESCRIPTION	REQUIREMENTS	REQUIREMENTS STRATEGIC PLANNING: PL SG	
Higher Education Qualification	At least NQF Level 7 in fields of senior	BA Honours in Management	Masters in Development
	management position	and Development	and Management
Work-Related Experience	Minimum of 2 years at senior and 5	7 Years in senior and 4	9 Years in senior and 6
	years at middle management level	years in middle management	years in middle
			management
Core Managerial and Occupational Competencies	As described in the Performance	Yes	Yes
	Regulations	165	169
Financial and Supply Chain Management Competency Areas:			
Strategic leadership and management			
Operational financial management			
 Governance, ethics and values in financial management 			
→ Financial and performance reporting	Required Minimum Competency Level in		
→ Risk and change management	Unit Standards = CPMF	Yes	Yes
→ Legislation, policy and implementation	Offic Standards – Of Ivii		
→ Stakeholder relations			
→ Supply Chain Management			
→ Project management			
→ Audit and assurance			



CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance.
- Component B: Spending Against Capital Budget.
- Component C: Other Financial.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENT

The City of Matlosana posted a net deficit of R212 million compare to the budgeted deficit of R218 million as per the financial summary. This was mainly due to the provision for the none-cash items of debt impairment and depreciation.

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

FINANCIAL SUMMARY								
						R' 000		
Description	2014/15		2015/16		2015/16	2015/16 Variance		
Description	Actual	Original	Adjusted	ljusted Actual		Adjustments		
Financial Performance								
Property rates	247 297	270 068	279 632	272 707	(0.01)	0.03		
Service charges	1 061 159	1 527 855	1 470 106	1 309 266	0.17	0.12		
Investment revenue	91 202	2 108	2 108	6 912	(0.70)	(0.70)		
Transfers recognised operational	434 482	350 595	350 995	446 706	(0.22)	(0.21)		
Other own revenue	70 407	229 602	260 607	229 526	0.00	0.14		
Total Revenue (excl. capital transfers and contributions)	1 904 548	2 380 228	2 363 448	2 265 116	0.05	0.04		
Employee costs	478 441	499 105	497 434	489 415	0.02	0.02		
Remuneration of councillors	20 458	21 421	21 421	23 982	(0.11)	(0.11)		
Depreciation & asset impairment	439 622	463 944	450 000	472 944	(0.02)	(0.05)		
Finance charges	43 779	11 099	11 099	33 863	(0.67)	(0.67)		
Materials and bulk purchases	657 629	825 438	826 087	811 310	0.02	0.02		
Other expenditure	603 606	922 368	908 736	741 885	0.24	0.22		
Total Expenditure	2 243 535	2 743 375	2 714 778	2 573 399	0.07	0.05		
Surplus/(Deficit)	(338 987)	(363 147)	(351 330)	(308 282)	0.18	0.14		

	FINAN	CIAL SUMMA	RY (Continue)		
				R' 000		
Description	2014/15		2015/16		2015/10	S Variance
2000	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	-	128 927	132 360	96 147	0.34	0.38
Contributions recognised -	_					
capital & contributed assets						
Surplus/(Deficit) after capital	(338 987)	(234 220)	(218 970)	(212 135)	0.10	0.03
transfers & contributions	(000 001)	(201220)	(210010)	(212 100)	0.10	0.00
Share of surplus/ (deficit) of						
associate		(22.4.2.2.)	(2.12.2=2)	(2.12.12.)		
Surplus/(Deficit) for the year	(338 987)	(234 220)	(218 970)	(212 135)	0.10	0.03
Capital expenditure & funds so	<u>urces</u>					
Capital expenditure	_	138 927	143 005	96 147	44%	49%
Transfers recognised - capital	92 823	128 927	132 360	96 147	34%	38%
Public contributions & donations	5 000					
Borrowing						
Internally generated funds	3 306	10 000	10 645	9 916	1%	7%
Total sources of capital funds	101 128	138 927	143 005	106 063	31%	35%
Financial position						
Total current assets	274 810	302 800	262 653	262 475	15%	0%
Total non-current assets	6 063 854	5 464 380	5 747 483	5 717 355	-4%	1%
Total current liabilities	619 691	464 677	478 624	610 455	-24%	-22%
Total non-current liabilities	383 322	334 000	391 830	356 357	-6%	10%
Community wealth / Equity	5 335 652	4 968 502	5 116 682	5 013 018	-1%	2%
Cash flows						
Net cash from (used) operating	124 585					
Net cash from (used) investing	(92 804)	159 237	294 626	92 375	72%	219%
Net cash from (used) financing	(48 537)	(111 236)	(133 828)	(90 575)	23%	48%
Cash/cash equivalents at the	32 901	(38 000)	(38 000)	(6 731)	465%	465%
year end	32 901	(30 000)	(30 000)	(0731)	405%	405%
Cash backing/surplus reconcili	ation_					
Cash and investments available	32 901	118 500	78 500	-	%	%
Application of cash and		365 161	378 155		%	%
investments		303 101	370 133	_	/0	/0
Balance - surplus (shortfall)	32 901	(246 661)	(299 655)	_	%	%
Asset management						
Asset register summary (WDV)	5 983 422	6 193 798	6 197 244	_	%	%
Depreciation & asset	439 622	463 944	450 000	472 944	%	%
impairment			20.040		0/	0/
Renewal of existing assets		70.004	32 642	-	%	%
Repairs and maintenance	56 473	78 081	78 613	51 966	%	%

FINANCIAL SUMMARY (Continue)								
R'								
Description	2014/15		2015/16		2015/1	16 Variance		
Description	Actual	Original	Adjusted	Actual	Original	Adjustments		
Free services								
Cost of free basic services provided	255 644	-	_	_	%	%		
Revenue cost of free services provided	370 222	58 349	89 575	_	%	%		
Households below minimum s	ervice level							
Water	3 485	2 089	2 089	2 089	%	%		
Sanitation / Sewerage	150	4 978	4 978	4 978	%	%		
Energy	101 625	165 907	165 907	165 907	%	%		
Refuse	2	-	-	-	%	%		

FINA	NCIAL PERFO	RMANCE OF	OPERATIONA	AL SERVICES		
						R '000
5 10	2014/15		2015/16 Variance			
Description	Actual	Original	Adjusted	Actual	Original	Adjustment
Operating Cost						
Water	398 895	544 161	495 132	385 911	-41.01%	9.00%
Waste- Water (Sanitation)	116 485	137 941	130 897	101 525	-35.87%	-28.93%
Electricity	634 998	698 460	681 761	667 044	-4.71%	-2.21%
Waste Management	92 368	123 753	118 329	87 389	-41.61%	-35.41%
Housing	9 063	10 671	10 597	9 269	-15.13%	-14.34%
Component A: subtotal	1 251 809	1 514 987	1 436 716	1 251 138	-21.09%	-14.83%
Storm-Water Drainage		_	_	-	_	_
Roads	173 768	210 711	203 602	303 126	30.49%	32.83%
Transport		_	_	-	_	_
Component B: subtotal	173 768	210 711	203 602	303 126	30.49%	32.83%
Planning		-	-	-	-	-
Local Economic Development	5 684	7 548	7 548	5 993	-25.95%	-25.95%
Component B: subtotal	5 684	7 548	7 548	5 993	-25.95%	-25.95%
Planning (Strategic & Regulatory)		-	_	_	_	_
Local Economic Development		ı	ı	-	_	-
Component C: subtotal	_	-	-	-	-	-
Community & Social Services	52 262	94 080	93 140	57 645	-63.21%	-61.58%
Environmental Protection	_	Ī	-	-	-	_
Health	4 351	5 274	5 174	4 746	-11.12%	-9.01%
Security and Safety	214 063	170 416	171 952	167 340	-1.84%	-2.76%
Sport and Recreation	81 703	60 716	100 287	89 641	32.27%	-11.88%
Corporate Policy Offices & Other	459 895	679 643	696 358	693 771	2.04%	-0.37%
Component D: subtotal	812 274	1 010 129	1 066 911	1 013 143	0.30%	-5.31%
TOTAL EXPENDITURE	2 243 535	2 743 375	2 714 777	2 573 399	-6.61%	-5.49%



COMMENTS ON FINANCIAL PERFORMANCE

Find below explanation of variances of more than 10% from the final budget:

Income:

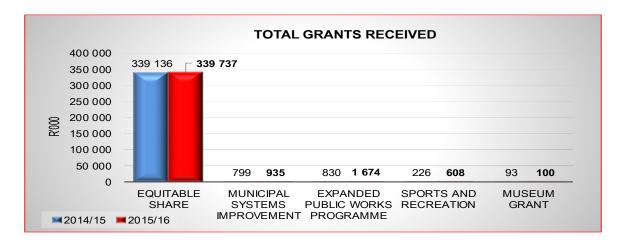
- Services charges: Various, as a result of the provision for free basic services on trade services.
- ◆ Investment revenue: More interest received than budgeted.
- → Transfers recognised operational: More revenue received than budgeted for.
- Other own revenue: Fines & Licensing income that did not materialise.

Expenditure:

- → Remuneration of councillors: Back pay increases of allowances councillors.
- Finance charges: Payment of interest to creditors not budgeted for.
- Other Expenditure: Low because of less provision made for Free Basic Services.

5.2 GRANTS

	GRA	NT PERFOR	RMANCE				
R' 00							
	2014/15	2014/15 2015/16			2015/16 Variance		
Description	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)	
Operating Transfers and Grants					, ,	, ,	
National Government	342 366	342 342	342 342	342 346	(0.00)	0%	
Equitable share	339 136	339 737	339 737	339 737	0%	0%	
Municipal Systems Improvement	799	930	930	935	-1%	-1%	
FMG	1 601	_	_	_	0%	0%	
Expanded Public Works Programme	830	1 675	1 675	1 674	0%	0%	
Provincial Government	226	1 000	1 000	608			
Sports and Recreation	226	1 000	1 000	608	65%	65%	
Other grant providers:	93	100	100	100	0%	0%	
Museum Grant	93	100	100	100	0%	0%	
Total	434 482	343 442	343 442	343 054			





COMMENT ON OPERATING TRANSFERS AND GRANTS

Grants were reported as per the DORA and the payment schedules received from National Treasury and the national departments.

No conditional grants were received from other sources than the DORA act.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Ducharme Consultancy Pty Ltd once again assists council with the unbundling of new project and the verification of existing assets. As a result thereof, Council obtain an unqualified audit opinion for the third consecutive year on assets.

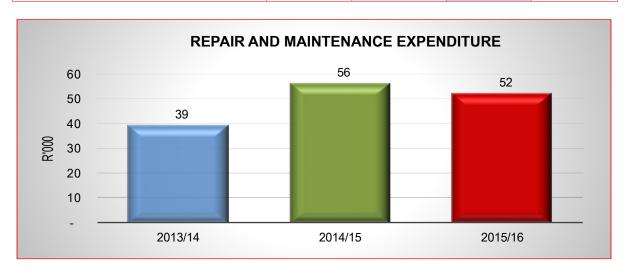
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16						
Asset 1						
Name	Upgrade Mechanical & E	Electrical Equipment Sewe	er Pump-station			
Description	Upgrade Mechanical & E	Electrical Equipment Sewe	er Pump-station			
Asset Type	Infrastructure					
Key Staff Involved	Sewer Section					
Staff Responsibilities	Sewer Section					
Asset Value	2013/14	2014/15	2015/16			
Asset value			6 884 552.04			
Capital Implications	Upgrading equipment at	sewer pump-station				
Future Purpose of Asset	Sewer processing to sev	ver plant				
Describe Key Issues	Maintenance					
Policies in Place to Manage Asset	Yes					
	Asset 2					
Name	Construction on new solid, waste disposal cell , Klerksdorp landfill					
Description	Construction on new soli	id, waste disposal cell , K	lerksdorp landfill			
Asset Type	Infrastructure asset	Infrastructure asset				
Key Staff Involved	Roads section					
Staff Responsibilities	Roads section					
Asset Value	2013/14	2014/15	2015/16			
Asset value			R7 907 740			
Capital Implications	Make space available for solid waste					
Future Purpose of Asset	Solid waste space					
Describe Key Issues	Maintenance					
Policies in Place to Manage Asset	Yes					

Asset 3					
Name	Main Storm-water Drainage - Khuma Phase 1				
Description	Main Storm-water Draina	Main Storm-water Drainage - Khuma Phase 1			
Asset Type	Infrastructure asset				
Key Staff Involved	Roads section				
Staff Responsibilities	Roads section				
Asset Value	2013/14	2014/15	2015/16		
Asset value			R3 699 596		
Capital Implications	Better storm-water flow				
Future Purpose of Asset	Keep maintenance low				
Describe Key Issues	Maintenance				
Policies in Place to Manage Asset	Yes				

COMMENTS ON ASSET MANAGEMENT

The above projects were driven by the PMU unit. The assets are grant funded and the budget was approved for these capital projects. These assets were signed off with a completion certificate that was obtained from the various contractors before these projects could be signed off for completeness.

REPAIR AND MAINTENANCE EXPENDITURE: 2015/16						
				R' 000		
Description	Original	Adjusted	Actual	Budget variance		
Repairs and Maintenance Expenditure	78 081	78 613	51 966	33%		



COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

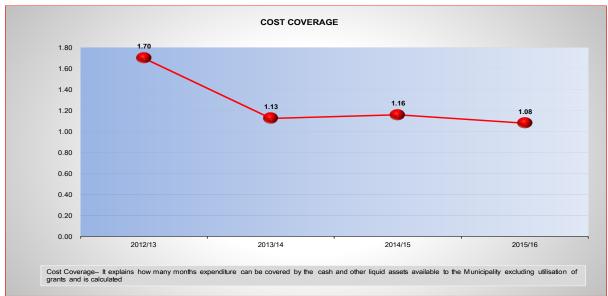
The expenditure on repair and maintenance were very low at 2% compare to the National Treasury norm of 20%, coming from a very low budget base of 2% of the total budget. This is only operational cost and don't include the salaries of the various maintenance departments that is included in the national norm of 20%. Council is

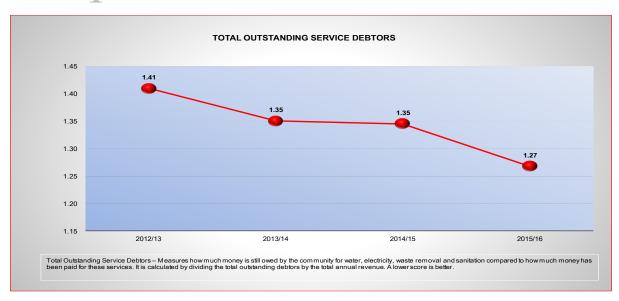


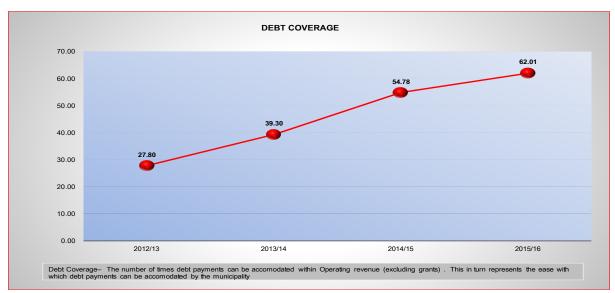
constantly increasing the budget for repair and maintenance to get closer to the national norm as proven in the 2016/17 budget.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS









COMMENTS ON THE FINANCIAL RATIO

The low liquidity ratio reflects the problems faced by the City of Matlosana due to low collection rates and the budget deficit as a result of the high cost of provisions for bad debt and depreciation.

A high cost coverage ratio is necessary in a highly fluctuating income environment as it indicates the ability to cover monthly fixed expenditure costs if there is a sudden loss of income. The low ratio does indicate a tight cash flow and it necessitates prudent cash flow management.

The total outstanding services debtor's ratio has been constant over the period and it is attributed to higher billing as well as higher debtor's balances. If the ratio is reduced it will reduce the cash flow challenges.

The debt coverage ratio has improved due to higher income through billing.

Although the ratio for creditors system efficiency is too low (must be 100%), we believe the ratio is improving.



The low reliance on capital funding is reflected in the ratio of capital charges to operational expenditure. The ratio of employee cost to revenue is relatively constant and falls in the ranges that are experienced iln the local government sector.

The low ratio of repair and maintenance remain a concern. It must be noted that the salary cost of repair and maintenance is not included and will increase the percentage.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and internal funded capital is limited. For the year under review the capital budget was not fully spent due the late appointment of service providers.

Please note that the capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N** and **O** respectively.

5.5 CAPITAL EXPENDITURE

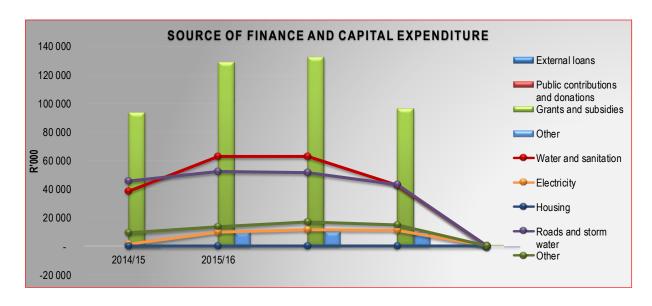
CAPITAL EXPENDITURE 2015/16					
R million	Original	Adjustment	Actual	Original Budget variance	R'000 Adjusted Budget Variance
Capital Expenditure	139	143	106	23.7%	25.8%
	139	143	106	23.7%	25.8%
Operating Expenditure	2 743	2 715	2 573	6.2%	5.2%
	2 743	2 715	2 573	6.2%	5.2%
Total expenditure	2 882	2 858	2 573	10.7%	10.0%
Water and sanitation	63	63	40	36.7%	36.5%
Electricity	10	11	8	20.2%	29.5%
Housing	_	_	_		
Roads, pavements, bridges and storm-water	53	52	43	17.6%	16.3%
Other	13	17	15	-11.2%	13.1%
External loans Internal contributions					
Grants and subsidies	139	143	106	99.9%	99.9%
Other					
External loans	_	_			
Grants and subsidies	461	461	39 874	91.3%	91.3%
		401	39 074	31.3%	91.3%
Investments redeemed	-	_	_		
Statutory receipts (incl. VAT)	_	_	_		
Other Receipts	_	_	_		

CAPITAL EXPENDITURE 2015/16 (Cont)					
R million	Original	Adjustment	Actual	Original Budget variance	R'000 Adjusted Budget Variance
Property rates	270	280	273	-1.0%	2.5%
Service charges	1 528	1 470	1 309	14.3%	10.9%
Other own revenue	230	263	683	-197.5%	-160.0%
Employee related costs	499	497	489	1.9%	1.6%
Provision for working capital	_	_	_		
Repairs and maintenance	78	79	52	33.4%	33.9%
Bulk purchases	747	747	759	-1.6%	-1.6%
Other expenditure	1 419	1 391	1 272	10.3%	8.6%
Service charges: Electricity	650	622	662	-1.8%	-6.4%
Grants & subsidies: Electricity					
Other revenue: Electricity	168	172	23	86.1%	86.4%
Employee related costs: Electricity	34	34	37	-8.6%	-8.6%
Provision for working capital:	-	-	-		
Electricity					
Repairs and maintenance:	40	40	40	4.00/	4.00/
Electricity	18	18	19	-4.6%	-4.6%
Bulk purchases: Electricity	515	515	524	-1.8%	-1.8%
Other expenditure: Electricity	122	127	73	40.2%	42.8%
Service charges: Water	497	480	434	12.8%	9.7%
Grants & subsidies: Water					
Other revenue: Water	109	102	15	86.5%	85.6%
Employee related costs: Water	23	24	28	-19.9%	-15.3%
Provision for working capital:					
Water		_	_		
Repairs and maintenance: Water	13	9	6	49.5%	28.0%
Bulk purchases: Water	233	233	235	-1.1%	-1.1%
Other expenditure: Water	275	215	117	57.6%	45.9%
				4.00/	
Property rates	270	280	273	-1.0%	2.5%
Service charges	1 528	1 470	1 309	14.3%	10.9%
Other own revenue	230	263	683	-197.5%	-160.0%
	400	10-	100	4.007	4.007
Employee related costs	499	497	489	1.9%	1.6%
Provision for working capital	-	-	_	00.40/	00.007
Repairs and maintenance	78	79	52	33.4%	33.9%
Bulk purchases	747	747	759	-1.6%	-1.6%
Other expenditure	1 419	1 391	1 272	10.3%	8.6%
Service charges: Electricity	650	622	662	-1.8%	-6.4%
Grants & subsidies: Electricity	030	UZZ	002	-1.0/0	-0.4 /0
Other revenue: Electricity	168	172	23	86.1%	86.4%
Other revenue. Electricity	100	172	23	00.1%	00.4 %

Employee related costs: Electricity	34	34	37	-8.6%	-8.6%
Provision for working capital: Electricity					
Repairs and maintenance: Electricity	18	18	19	-4.6%	-4.6%
Bulk purchases: Electricity	515	515	524	-1.8%	-1.8%
Other expenditure: Electricity	122	127	73	40.2%	42.8%
Service charges: Water	497	480	434	12.8%	9.7%
Grants & subsidies: Water					
Other revenue: Water	109	102	15	86.5%	85.6%
Employee related costs: Water	23	24	28	-19.9%	-15.3%
Provision for working capital:					
Water					
Repairs and maintenance: Water	13	9	6	49.5%	28.0%
Bulk purchases: Water	233	233	235	-1.1%	-1.1%
Other expenditure: Water	275	215	117	57.6%	45.9%

5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2014/15 TO 2015/16						
						R' 000
	2014/15			2015/16		
Details	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance	1		"			
External loans	0					
Public contributions and donations	0					
Grants and subsidies	92 823					
Other	8 306	128 927	132 360	96 147	2.66%	-25.43%
Total	101 129	10 000	10 645	9 916	6.45%	-0.84%
Percentage of finance						
External loans	0.0%	-	-	-	0.0%	0.0%
Public contributions and donations	0.0%	-	-	-	0.0%	0.0%
Grants and subsidies	91.8%	1	1	1	29.2%	96.8%
Other	8.2%	0	0	0	70.8%	3.2%
Capital expenditure						
Water and sanitation	46 079	62 961	62 815	42 775	-0.23%	-32.06%
Electricity	12 057	10 000	11 324	10 882	13.24%	8.82%
Housing	0	-	-	-	0.00%	0.00%
Roads and storm-water	57 090	52 536	51 681	43 274	-1.63%	-17.63%
Other	-14 097	13 430	17 185	14 934	27.96%	11.20%
Total	101 129	138 927	143 005	111 865	39.34%	-29.67%



COMMENT ON SOURCES OF FUNDING

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and internal funded capital is limited. For the year under review the capital budget was not fully spend. The department did apply for roll overs capital funding from National Treasury.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*							
	C	Current: 2015/16			Variance: Current 2015/16		
Name of Project	Original	Adjusted	Actual Expenditure	Original Variance (%)	Adjustment variance (%)		
Upgrade mechanical & electrical equip sewer pump-station	6 000 000		6 884 552	-15%	100%		
Upgrade sewer network at Khuma property	17 232 486		15 220 396	12%	100%		
Alabama Bulk Water Supply P3 2ml Pressure Tower	17 378 850		9 993 080	42%	100%		
Upgrade and beautification of Jabulani street	11 013 000		13 615 300	-24%	100%		
Pedestrian bridge over N12 Jouberton / Alabama	8 000 000		6 285 030	21%	100%		
* Projects with the highest capital e	expenditure in 2	015/16					
NAME OF PROJECT - A	UPGRADE MECHANICAL & ELECTRICAL EQUIP SEWER PUMP- STATION						
Objective of Project	Upgrade old equipment						
Delays	None						
Future Challenges	None						
Anticipated benefits	Service delivery						



NAME OF PROJECT - B	UPGRADE SEWER NETWORK AT KHUMA PROPERTY
Objective of Project	New sewer lines in Khuma
Delays	None
Future Challenges	None
Anticipated benefits	Sewer line for households
NAME OF PROJECT - C	ALABAMA BULK WATER SUPPLY P3 2ML PRESSURE TOWER
Objective of Project	Supply of water to community
Delays	None
Future Challenges	None
Anticipated benefits	Supply of water to community
NAME OF PROJECT - D	UPGRADE AND BEAUTIFICATION OF JABULANI STREET
Objective of Project	Upgrade entrance to Jouberton
Delays	None
Future Challenges	None
Anticipated benefits	None
NAME OF PROJECT - E	PEDESTRAIN BRIDGE OVER N12 JOUBERTON / ALABAMA
Objective of Project	Safe crossing for public
Delays	None
Future Challenges	None
Anticipated benefits	Safe crossing for public

COMMENTS ON CAPITAL PROJECTS

The above-mentioned major projects were implemented on an approved budget respectively. On these largest projects the adjustment was accordingly made on the Pedestrian Bridge to ensure proper completion of this Multi-Year Project.

The annual increase in operational budget and the introduction of the Bulk Infrastructure Contribution Policy in the next Financial Year will ensure sufficient budget to operate the realised project infrastructure. The key to timeous implementation of projects revolves around forward planning and timeous approval of the implementation plan by Council.

This will ensure the accelerated timeous budget approvals by either National or Provincial stakeholders and will allow for speedy implementation of the capital projects.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Due to the closure of mines and migration of families from drought affected farming settlements coupled with disaggregation of the existing families in various settlements put more pressure in the upgrading of core bulk infrastructure.

The current calculated cost for the upgrades range from R156 Million to R175 Million per annum spread over a period of five (5) years, to be in par with the backlog.



The above backlog will soon affect the Municipality in a negative way, however with the current development of Water Services Development Plans and other infrastructural forecast documentation for roads and human settlements as well as the current submission of reports for counter funding assist in addressing some of the challenges.

SERVICE BACKLOGS AS AT 30 JUNE 2016						
*Service level above minimum **Service level below minimum Services standard standard						
	No HHs	% HHs	No HHs	% HHs		
Water	167 430	99. 50%	827	0. 50%		
Sanitation	165 974	98.64%	2 283	1.36%		
Electricity	164 694	98. 00%	3 563	2.00%		
Waste Management	164 644 97. 84% 3 613 2. 16%					
% HHs are the service above /	below minimum standa	rd as a proportion	of total HHs.			

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2015/16 ON SERVICE BACKLOGS

Major
conditions
applied by
donor
24 941

						K UUU
Details	Budget	Adjusted	Actual	Vari	ance Adjust- ment	Major conditions applied by donor
Infrastructure - Road	24.044	24 941	43 274	-42%	-42%	24.044
transport	24 941	24 34 1	43 214	-4 ∠ /0	-4∠ /0	24 941
Roads, Pavements & Bridges	24 941	24 941	43 274	-42%	-42%	24 941
Storm-water						
Infrastructure - Electricity	5 000	5 000	7 980	-37%	-37%	5 000
Generation						
Transmission & Reticulation	5 000	5 000	7 980	-37%	-37%	5 000
Street Lighting						
Infrastructure - Water	25 464	25 464	16 813	51%	51%	25 464
Dams & Reservoirs						
Water purification						
Reticulation	25 464	25 464	16 813	51%	51%	25 464
Infrastructure - Sanitation	24 863	24 863	23 061	8%	8%	24 863
Reticulation	24 863	24 863	23 061	8%	8%	24 863
Sewerage purification						
Total	80 268	80 268	91 128	%	%	

COMMENTS ON BACKLOGS

The upgrade of key bulk infrastructure in the area through the MIG funding has unlocked key backlogs for the existing settlements and some new developments.



Two (2) new schools have been viable through the current upgrades and other existing settlements have benefitted from this. The newly established townships allowed for institutional erven such as extra schools and Primary Health Care Clinics.

The following two (2) major projects are implemented by the Department of Human Settlements viz., completed CRU's in Meiringspark and the low cost housing in the newly proclaimed Alabama Extension 4 and 5.

Lack of funding by the Municipality also plays an inhibition in the quick turnaround township establishment applications.

Ageing infrastructure still remains a huge challenge in the Municipality.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow is monitored on a daily basis and is a major challenge as indicated by the various ratios. The municipality's investments consist mainly of government grants of which the MIG is the main contributor and some securities. During each month investments are made and withdrawn as part of the cash flow management process.

5.9 CASH FLOW

CASH FLOW OUTCOMES					
				R'000	
	2014/15		2015/16		
Description	Audited Outcome	Original	Adjusted	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	1 030 280	1 499 792	1 506 018	1 029 052	
Government - operating	413 950	350 595	350 995	349 133	
Government - capital		110 268	132 360	110 945	
Interest	91 202	2 108	95 228	138 481	
Dividends		ı	-	-	
Payments					
Suppliers and employees	(1 367 069)	(1 792 427)	(1 801 074)	(1 471 762)	
Finance charges	(43 779)	(11 099)	11 099	(33 863)	
Transfers and Grants	_	_	_	_	
NET CASH FROM / (USED) OPERATING ACTIVITIES	124 585	159 237	294 626	121 987	
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	5 105	-	_	(98 136)	
Decrease (Increase) in non-current debtors		32	32		
Decrease (increase) other non-current receivables			_	(21 958)	
Decrease (increase) in non-current investments	(1 781)	(1 000)	(1 500)		
Payments					
Capital assets	(96 128)	(110 268)	(132 360)	_	



NET CASH FROM / (USED) INVESTING ACTIVITIES	(92 804)	(111 236)	(133 828)	(120 094)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	_	_	_
Borrowing long-term / refinancing		_	_	_
Increase (decrease) in consumer deposits	6 269	-	-	6 269
Payments				
Repayment of borrowing / NT Liabilities	(54 806)	(38 000)	(38 000)	(13 093)
NET CASH FROM / (USED) FINANCING	(48 537)	(38 000)	(38 000)	(6 824)
ACTIVITIES	(40.750)	, i	· · ·	, ,
NET INCREASE / (DECREASE) IN CASH HELD	(16 756)			
Cash / cash equivalents at the year begin	49 658	10 001	122 798	_
Cash / cash equivalents at the yearend	32 902	90 000	16 503	16 503

COMMENT ON CASH FLOW OUTCOMES

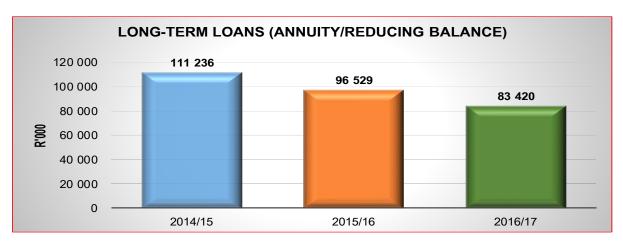
The municipality's cash flow remains under pressure due to a low collection rate in areas where Eskom supplied electricity. The current economic climate is also a contributing factor. The available cash is actively managed on a daily basis to ensure that the necessary basic service delivery objectives are achieved.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing constantly as loans are serviced. The municipality's investments consist mainly of government grants of which the MIG is the main contributor and some securities.

ACTUAL BORROWINGS: 2014/15 TO 2016/17				
			R' 000	
Instrument	2014/15	2015/16	2016/17	
Municipality				
Long-Term Loans (annuity/reducing balance)	111 236	96 529	83 420	
MUNICIPALITY TOTAL	111 236	96 529	83 420	





MUNICIPAL INVESTMENTS					
R' 000					
lustra after a mit form a	2014/15	2015/16	2016/17		
Investment type	Actual	Actual	Actual		
Deposits – Bank	41 039	50 925	33 974		
Guaranteed Endowment Policies (sinking)	6 885	7 304	7 817		
TOTAL	47 924	58 229	41 791		

COMMENTS ON BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing as loans are serviced. The municipality's investments consist mainly of governmental grants of which the MIG is the main contributor and some securities.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The council developed a Supply Chain Management Policy and practices in compliance with the guidelines set down by the Supply Chain Management Regulations, 2005, which was approved with effect from 1 March 2006.

The council also adopted the new Preferential Procurement Regulations, 2011. A new SCM Policy, incorporating the above-mentioned regulations as well as all other relevant legislation, regulations and circulars, has been developed and approved by the council.

In terms of the municipal supply chain management policy, no councillors are members of any committee handling Supply Chain Management processes.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The City of Matlosana applies General Recognised Accounting Practices (GRAP) in compilation of its financial statements, as part of the 2015/16 financial statements preparation process.

Chapter 6





CHAPTER 6 - AUDITOR-GENERAL'S AUDIT FINDINGS

INTRODUCTION

The Audited 2015/16 Annual Report, including the Annual Financial Statements and Annual Performance Report is submitted to the Auditor-General on 31 August 2016 for auditing, as per legislative requirement.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2014/15

6.1 AUDITOR-GENERAL REPORTS 2014/15

AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2014/15

Qualified opinion – Financial Performance

In my opinion, except for the possible 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 City of Matlosana as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and the DoRA.

Unqualified opinion - Predetermined objectives

I did not identify any material findings on the usefulness and reliability of the reported performance information on any of the selected key performance areas of the municipality.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2014/15

A lot of hard work by various stakeholders has subsequently resulted in that we have halved the listed issues that lead to the previous year's qualified audit opinion. Three of the items relate to comparative figures that will not feature in the 2015/16 audit. The only other item relates to irregular expenditure and effects the current and comparative year figures.

Issues raised by the Auditor-General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

It is thus the opinion of management that there will be a further improvement on the audit opinion for 2015/2016 with the envisaged continuation of the efforts.



COMPONENT B: AUDITOR-GENERAL'S OPINION 2015/16

6.2 AUDITOR-GENERAL'S REPORT 2015/16



Report of the auditor-general to the North West provincial legislature and the council on the City of Matlosana

Report on the financial statements

Introduction

1. I have audited the financial statements of the City of Matlosana set out on pages 309 to 369, 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 the statement of comparison of budget and actual amounts for the year then ended, as well as 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), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA) and for such internal control as the accounting officer determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the 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

Revenue

6. As per GRAP 9 Revenue from exchange transactions and GRAP 23 Revenue from non-exchange transactions, all revenue due should be recognised and measured reliably. The municipality did not record all sewer related revenue and recorded revenue from property rates using incorrect tariffs. Consequently, services charges of R1 309 265 825 and property rates of R272 706 788 included in revenue recognised in the statement of financial performance, were understated by R10 158 121 and R17 210 596 respectively, whilst consumer debtors in the statement of financial position was understated by R27 368 717. Additionally, there was a resultant impact on the deficit for the year and the accumulated surplus recognised in the financial statements.

Irregular expenditure

7. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R 40 744 985 in contravention of the supply chain management requirements, which were not included in irregular expenditure disclosed. Consequently, irregular expenditure of R2 081 326 943 disclosed in note 44 to the financial statements is understated by R40 744 985.

Qualified opinion

8. 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 City of Matlosana 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 the DoRA.

Emphasis of matters

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



Unauthorised and fruitless and wasteful expenditure

- 10. As disclosed in note 42 to the financial statements, unauthorised expenditure of R73 697 807 was incurred in the current year and the unauthorised expenditure of R1 424 534 175 in respect of prior years had not yet been dealt with in accordance with section 32 of the MFMA.
- 11. As disclosed in note 43 to the financial statements, fruitless and wasteful expenditure of R23 264 026 was incurred in the current year and fruitless and wasteful expenditure of R91 222 464 from prior years had not yet been dealt with in accordance with section 32 of the MFMA.

Material impairments and distribution losses

12. As disclosed in note 32 to the financial statements, the municipality incurred water and electricity losses of 29% (2015: 36%) and 25% (2015: 27%) respectively. In addition, impairments of R480 063 289 (2015: R268 834 486) incurred as a result of significant impairment of debtors are disclosed in note 26 to the financial statements.

Restatement of corresponding figures

13. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2016 in the financial statements of the City of Matlosana at, and for the year ended, 30 June 2015.

Going concern

14. The statement of financial performance indicates that the City of Matlosana incurred a net loss of R308 282 393 during the year ended 30 June 2016 and, as of that date, the municipality's current liabilities exceeded its current assets by R347 979 954. These conditions, along with other matters as set forth in note 40, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Material under spending of the grant

15. As disclosed in note 21 to the financial statements, the municipality need to surrender back to National Treasury an amount of R21 894 596 (2015: R36 780 267) due to non-spending of the Municipal Infrastructure Grant (MIG) allocations for infrastructure projects, the Neighbourhood Development Partnership Grant (NDPG) and the Expanded Public Works Programme Integrated Grant for Municipalities (EPWP). As a consequence, the municipality was unable to adequately fulfil its mandate on these projects.

Additional matters

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





Unaudited supplementary schedules

17. The supplementary information set out on page 370 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

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

- 19. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance area presented in the annual performance report of the municipality for the year ended 30 June 2016:
 - Key performance area 1: Basic service delivery and infrastructure development on pages 137 to 143; 145 to 150; 196 (ROA1) and 204 to 209.
- 20. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned key performance area. 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. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance area of the municipality.

Additional matters

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

Achievement of planned targets

24. Refer to the annual performance report on pages 137 to 213 for information on the achievement of the planned targets for the year.





Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for key performance area 1: Basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Annual financial statements and annual reports

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements on non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements on revenue and irregular expenditure resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

- 28. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
- 29. Reasonable steps were not taken to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Consequence management

- 30. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
- 31. Allegations of financial misconduct against senior managers were not always tabled before council, as required by regulation 5(2) of the disciplinary regulations for senior managers.

Human resource management and compensation

32. Sufficient appropriate audit evidence could not be obtained that job descriptions were established for all posts in which appointments were made in the current year, as required by section 66(1)(b) of the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA).





33. The municipality did not develop and adopt appropriate systems (policies) and procedures to monitor, measure and evaluate the performance of staff, in contravention of section 67(d) of the MSA.

Procurement and contract management

- 34. 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 information was not presented on time for audit.
- 35. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulations 17(a) and (c).
- 36. I could not obtain sufficient appropriate audit evidence that goods and services with a transaction value above R200 000 were procured by inviting competitive bids, as required by SCM regulation 19(a).
- 37. 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).
- 38. Awards were made to providers who are in the service of other state institutions or whose directors and principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).
- 39. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality, failed to disclose such interest, in contravention of SCM regulation 46(2)(e).
- 40. I could not obtain sufficient appropriate audit evidence that contracts were only awarded to providers whose tax matters had been declared to be in order by the South African Revenue Service, as required by SCM regulation 43.
- 41. I could not obtain sufficient appropriate audit evidence that measures to combat the abuse of the SCM system were implemented as required by SCM regulation 38(1).

Environmental management

- 42. The municipality did not exercise its legislative and executive authority of managing, monitoring and enforcing environmental related bylaws to promote a safe and healthy environment, as required by section 11(3)(I) and (m) of the MSA.
- 4.3 The municipality operated its wastewater treatment facilities without a license in contravention of section 24(2)(a) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and section 22(1)(b) of the National Water Act, 1998 (Act No. 36 of 1998) (NWA).



- 4.4 The municipality's operational activities at its waste disposal sites and wastewater treatment facilities contravened or failed to comply with the requirements of a waste management license or the norms and standards as prescribed by sections 67(1)(f) and (h) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA) and sections 151(1)(c) and (i) of the NWA.
- 45. The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c) and (d) and 26(1)(b) of the NEMWA.

Internal control

46. I considered internal control relevant to my audit of the financial statements, the 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 and the findings on compliance with legislation included in this report.

Leadership

- 47. The leadership has not been able to enforce a culture of honesty, ethical business practices and good governance. Although there were resolutions adopted by council to address prior year audit findings, the implementation thereof was mostly done through consultants with limited transfer of skills to own staff.
- 48. Effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored, was not implemented. An effective organisational structure for placing appropriately skilled people is not in place. There was a lack of continuity in key management positions due to suspensions and resignations, leading to these positions being filled by acting officials.

Financial and performance management

- 49. The municipality did not implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and readily available to support financial reporting and compliance with laws and regulations.
- 50. Management's continuous failure to comply with laws and regulations as well as their inability to implement controls to ensure reliable and accurate financial reporting, is a concern. This factor, as well as the continuous non-adherence with the council's supply chain management policy without consequences, reflects negatively on management's commitment towards a clean administration.

Governance

51. Management do not have an adequate risk strategy that addresses identified risks in supply chain management, performance reporting as well as non-compliances with laws and regulations.





52. The effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to adequately address and react to internal audit's findings and recommendations, mainly due to the lack of capacity at senior management level within the municipality.

Other reports

53. 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 in progress.

Investigations

54. In the prior year, an independent consulting firm was appointed by the Premier of the province. The investigation was initiated based on an allegation of possible financial mismanagement at the municipality. The investigation is still on-going at date of this report.

Potchefstroom

30 November 2016

Asoirea-GERELAR.



Auditing to build public confidence



COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2015/16

Due to financial and management constraints and issues that transpired out of the previous audit results a provincial intervention was called on in the form of sec. 139(b). This brought the first administrator on board early 2014 till December 2014 while the administrator for the review period took over from January 2015.

It was also always important for the municipality to have a mutual benefitting relationship with the Auditor-General. This year there was a change in the personnel of the audit team and we again aimed at building a good relationship by complying with their requests as best as we could and using their input in resolving issues where afforded and possible.

Two items were raised that led to a qualified audit opinion. The one that relates to revenue was known to management as a possible risk and management therefore started with corrective actions during the latter part of 2015. The scope of the work meant that it was not fully completed at yearend and it is still on-going (data cleansing). The AG identified two transactions with their sampling and the extrapolated figure was material in nature. The other issue relates to irregular expenditure. They have targeted a certain type of transaction that was not previously raised. We will get more technical support regarding this and engage with the AG.

Issues raised by the Auditor-General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

It is the opinion of management that an unqualified audit opinion for 2016/17 is attainable with the continued support of all management and staff.

AR PAR	AUDIT ISSUE	CORRECTIVE ACTION
6	Revenue	The municipality initiated a data cleansing process during the latter part of 2015. It was unfortunately not completed by year end due to the scope of the work. The one item picked up by the AG was corrected in August 16. We believe that the work done will address this issue for the next audit.
7	Irregular expenditure	The AG took a technical look at regulation 32 appointments. We could not alter their opinion and they also could not give us time to make the necessary adjustments. The register will be adjusted accordingly.
10-11	Unauthorised and fruitless and wasteful expenditure	Establish controls to prevent fruitless and wasteful expenditure as well as unauthorised expenditure. The registered expenditure will be dealt with in accordance with section 32 of the MFMA. Council Committee to be established to deal with all unauthorised and fruitless and wasteful expenditure. The investigative process to identify the responsible parties regarding the named expenditures still to be conducted.

AR PAR	AUDIT ISSUE	CORRECTIVE ACTION
12	Material impairments and	This item is on top management agendas. Plans need to be
	distribution losses	implemented to curb losses and effect higher collection rate.
13	Restatement of corresponding	Certain adjustments were discussed with the AG for approval
	figures	and implemented.
14	Going concern	The municipality in building on the initial intervention and
		believe that a couple of indicators are showing that a
		turnaround is made. We believe that the municipality will be
		able to meet its commitments in the foreseeable future.
15	Material under spending of the	Top management must ensure that the budgeted amounts
	grant	are spent on time.
27	Annual financial statements and	All of the planned actions plans will result in an improvement
	annual reports	of the annual financial statements.
28-29	Expenditure management	Non-adherence to MFMA section 65(2) (e) is due to cash
		flow constraints and will continue for the next periods. It is
		also the leading cause of fruitless and wasteful expenditure
		as it is mostly represented by interest charged on the
		overdue accounts from Eskom and Midvaal.
30	Consequences management	The intervention by the administrator was to instil the
		processes and procedures to fully comply with the regulatory
		framework. Investigations and reports were tabled and
00.00		processes put in place.
32-33	Human resource management	As part of the turn-around strategy the focus would have
	and compensation	been to do a proper resource management to ensure that we
		have competent personnel that is skilled and able to perform
34-41	Procurement and contract	as per the job requirements. The supply management structure including bid committees
34-41	management	will be reviewed to facilitate implementation of and
	management	compliance with the supply chain management policy. A
		record management system is being. Continuous training will
		be provided to supply chain officials, bid committee members
		and officials in general to promote and ensure compliance
		with the supply chain policy and regulations.
47-48	Leadership	The municipality was placed under administration for an
	•	additional period after year end. Various vacant senior
		positions are in the process of being filled. The new
		leadership and guidance should instil the values and
		commitments to ensure a turnaround in the performance of
		the municipality.
49-50	Financial and performance	The municipality was placed under administration for an
	management	additional period after year end. Many improvements in
		compliance and administration are being implemented.
51-52	Governance	A dedicated risk management officer has been appointed
		who will be responsible for the implementation of the risk
		management plan.



COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2015/16

Performance Management has received an unqualified audit opinion from the Auditor-General.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

CHR BOSHOFF

ACTING CHIEF FINANCIAL OFFICER

23 JANUARY 2017

Glossary

Glossary





GLOSSARY

	GLOSSARY
ACCESSIBILITY	Explore whether the intended beneficiaries are able to access services or
INDICATORS	outputs.
ACCOUNTABILITY	Documents used by executive authorities to give "full and regular" reports on
DOCUMENTS	the matters under their control to Parliament and provincial legislatures as
	prescribed by the Constitution. This includes plans, budgets, in-year and
	Annual Reports.
ACTIVITIES	The processes or actions that use a range of inputs to produce the desired
	outputs and ultimately outcomes. In essence, activities describe "what we
	do".
ADEQUACY INDICATORS	The quantity of input or output relative to the need or demand.
ANNUAL REPORT	A report to be prepared and submitted annually based on the regulations set
	out in Section 121 of the Municipal Finance Management Act. Such a report
	must include annual financial statements as submitted to and approved by
ADDROVED DUDGET	the Auditor-General.
APPROVED BUDGET	The annual financial statements of a municipality as audited by the Auditor-
BASELINE	General and approved by council or a provincial or national executive. Current level of performance that a municipality aims to improve when setting
DASELINE	performance targets. The baseline relates to the level of performance
	recorded in a year prior to the planning period.
BASIC MUNICIPAL SERVICE	A municipal service that is necessary to ensure an acceptable and
DAGIO MONION AL GENTIGE	reasonable quality of life to citizens within that particular area. If not
	provided, it may endanger the public health and safety or the environment.
BUDGET YEAR	The financial year for which an annual budget is to be approved – means a
	year ending on 30 June.
COST INDICATORS	The overall cost or expenditure of producing a specified quantity of outputs.
DISTRIBUTION INDICATORS	The distribution of capacity to deliver services.
FINANCIAL STATEMENTS	Includes at least a statement of financial position, statement of financial
	performance, cash-flow statement, notes to these statements and any other
	statements that may be prescribed.
GENERAL KEY	After consultation with MECs for local government, the Minister may
PERFORMANCE	prescribe general key performance indicators that are appropriate and
INDICATORS	applicable to local government generally.
IMPACT	The results of achieving specific outcomes, such as reducing poverty and
INPUTS	creating jobs. All the resources that contribute to the production and delivery of outputs.
IIII UIU	Inputs are "what we use to do the work". They include finances, personnel,
	equipment and buildings.
INTEGRATED	Set out municipal goals and development plans.
DEVELOPMENT PLAN (IDP)	22.2.2
NATIONAL KEY	Service delivery & infrastructure
PERFORMANCE AREAS	Economic development
	 Municipal transformation and institutional development



Financial viability and management			
	Financial viability and management		
OUTCOMES	Good governance and community participation		
OUTCOMES	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an		
	institution's strategic goals and objectives set out in its plans. Outcomes are		
	"what we wish to achieve".		
OUTPUTS	The final products or goods and services produced for delivery. Outputs may		
0011 010	be defined as "what we produce or deliver". An output is a concrete		
	achievement (i.e. a product such as a passport, an action such as a		
	presentation or immunisation or a service such as processing an application)		
	that contributes to the achievement of a Key Result Area.		
PERFORMANCE INDICATOR	Indicators should be specified to measure performance in relation to input,		
	activities, outputs, outcomes and impacts. An indicator is a type of		
	information used to gauge the extent to which an output has been achieved		
	(policy developed, presentation delivered, service rendered).		
PERFORMANCE	Generic term for non-financial information about municipal services and		
INFORMATION	activities. Can also be used interchangeably with performance measure.		
PERFORMANCE	The minimum acceptable level of performance or the level of performance		
STANDARDS	that is generally accepted. Standards are informed by legislative		
	requirements and service-level agreements. Performance standards are		
	mutually agreed criteria to describe how well work must be done in terms of		
	quantity and/or quality and timeliness, to clarify the outputs and related		
	activities of a job by describing what the required result should be. In this		
	EPMDS performance standards are divided into indicators and the time		
	factor.		
PERFORMANCE TARGETS	The level of performance that municipalities and its employees strive to		
	achieve. Performance targets relate to current baselines and express a		
	specific level of performance that a municipality aims to achieve within a		
	given time period.		
SERVICE DELIVERY	Detailed plan approved by the mayor for implementing the municipality's		
BUDGET IMPLEMENTATION	delivery of services; including projections of the revenue collected and		
PLAN	operational and capital expenditure by vote for each month. Service delivery		
VOTE	targets and performance indicators must also be included.		
VOTE	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of		
	the municipality. The Vote specifies the total amount that is appropriated for		
	the purpose of a specific department or functional area.		
	Section 1 of the MFMA defines a "vote" as:		
	a) one of the main segments into which a budget of a municipality is divided		
	for the appropriation of money for the different departments or functional		
	areas of the municipality; and		
	b) which specifies the total amount that is appropriated for the purposes of		
	the department or functional area concerned.		
	1		

Appendices





APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL - ATTENDANCE

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
Cllr MK Khauoe	FT	Executive Mayor	PR ANC	75%	12.5%
Cllr LM Kortjas	FT	Speaker	PR ANC	87.5%	12.5%
Cllr GS Nkebe	FT	Single Whip	PR ANC	100%	
Cllr MMS Lee	FT	MMC Finance and Debt Normalisation	PR ANC	87.5%	12.5%
Cllr TI Thobedi	FT	MMC Corporate Services	WC ANC	100%	
Cllr ME Kgaile	FT	MMC Transversal Issues	PR ANC	87.5%	12.5%
Cllr GR Kgosi	FT	MMC Economic Growth & Market	PR ANC	87.5%	12.5%
Cllr ME Mthimkulu	FT	MMC Sport, Arts & Culture	PR ANC	75%	12.5%
Cllr GC Mbobo	FT	MMC Public Safety	WC ANC	100%	
Cllr LM Mothibedi	FT	MMC Housing, Land & Rural Development	PR ANC	87.5%	12.5%
Cllr PR Pooe	FT	MMC Health and Community Services	PR ANC	87.5%	12.5%
Cllr RA Matsepe	RA Matsepe FT MMC Infrastructure		WC ANC	87.5%	12.5%
Cllr NS Mendela	FT	MMC Electrical and Mechanical Engineering	PR ANC	100%	-
Cllr LT Mabunda	FT	Chairperson MPAC	PR ANC	75%	25%
Cllr EG Hart	PT	MPAC	PR DA	87.5%	12.5%
Cllr MD Mogorosi	PT	Infrastructure	WC ANC	37.5%	25%
Cllr KL Ross	PT	Housing, Land & Rural Development	PR DA	100%	-
Cllr MD Mere	PT	Economic Growth & Market	WC ANC	100%	-
Cllr LL Appels	PT	Sport, Arts & Culture	WC DA	75%	-
Cllr BM Plaatjie	PT	Transversal Issues	WC ANC	100%	-
Cllr ST Mpshapudi	PT	Housing, Land & Rural Development	WC ANC	62.5%	12.5%
Cllr SD Montoedi	PT	MPAC	WC ANC	87.5%	-
Cllr MF Nthaba	PT	MPAC	WC ANC	87.5%	-
Cllr SL Moremi	PT	Transversal Issues	WC ANC	75%	25%
Cllr GJ Mohale	Cllr GJ Mohale PT MPAC		WC ANC	37.5%	25%
Cllr MI Mangesi	ngesi PT Sport, Arts & Culture		WC ANC	100%	-
Cllr MM Chao	PT	Electrical & Mechanical Engineering	WC ANC	100%	-
Cllr LA Lenepa	PT	Community & Health Services	WC ANC	50%	25%



Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non- attendance %
Cllr PJ Swart	PT	Finance & Debt Normalisation	WC DA	62.5%	12.5%
Cllr A Combrinck	PT	MPAC	WC DA	75%	25%
Cllr EM Postma	PT	Corporate Services	WC DA	100%	-
Cllr EPJ Nel	PT	Infrastructure	WC DA	12.5%	-
Cllr JJ Le Grange	PT	MPAC	WC DA	100%	-
Cllr MM Booysen	PT	Economic Growth & Market	WC ANC	100%	-
Cllr TB Mpukwana	PT	Corporate Services	WC ANC	75%	-
Cllr MA Thelejane	PT	Sport, Arts & Culture	WC ANC	100%	-
Cllr MS Sefika	PT	Electrical & Mechanical Engineering	WC ANC	100%	-
Cllr LM Phakoe	PT	MPAC	WC ANC	100%	-
Cllr NE Lekoala	PT	Transversal Issues	WC ANC	50%	25%
Cllr BC Matolo	PT	Community & Health Services	WC ANC	100%	-
Cllr CJ Bester	PT	Finance & Debt Normalisation	WC DA	75%	12.5%
Cllr SM Steyn	PT	Economic Growth & Market	WC DA	62.5%	25%
Cllr WJJ Louwrens	PT	Infrastructure	WC DA	50%	25%
Cllr GA Mohoemang	PT	Corporate Services	WC ANC	75%	12.5%
Cllr SL Sithole	PT	Community & Health Services	WC ANC	87.5%	12.5%
Cllr AN Matross	PT	MPAC	WC ANC	75%	12.5%
Cllr HF Saudi	PT	Housing, Land & Rural Development	WC ANC	62.5%	25%
Vacant (occupied by Cllr IJ Molebatsi)		Public Safety	WC ANC		
Cllr JM Sebata	PT	Sport, Arts & Culture	PR ANC	87.5%	12.5%
Cllr MC Dithejane	PT	Corporate Services	PR ANC	87.5%	12.5%
Cllr NG Malete	PT	Public Safety	PR DA	75%	12.5%
Cllr SL Nakedi	PT	Housing, Land & Rural Development	PR ANC	87.5%	-
Cllr MP Hlaka	PT	Housing, Land & Rural Development	PR DA	87.5%	12.5%
Cllr MS Sishuba	PT	MPAC	PR ANC	75%	12.5%
Cllr M Coetzee	PT	Community & Health Services	PR DA	67.5%	25%
Cllr IG Hendricks	PT	Transversal Issues	PR DA	87.5%	12.5%
Cllr FI Tagaree	PT	Finance & Debt Normalisation	PR ANC	87.5%	12.5%
Cllr MM Bontsi	PT	Finance & Debt Normalisation	PR ANC	87.5%	12.5%



СО	COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE						
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non- attendance %		
Cllr LL Cutswa	PT	Infrastructure	PR ANC	75%	12.5%		
Cllr IM Groenewald	PT	MPAC	PR FF+	67.5%	25%		
Cllr PT Horn (Cllr EJ Legassick resigned)	PT	Finance & Debt Normalisation	PR FF+	75%	12.5%		
Cllr AL Lobese	PT	Economic Growth & Market	PR ANC	75%	-		
Cllr NM Maseko	PT	Infrastructure	PR ANC	67.5%	12.5%		
Cllr OM Mogale	PT	Finance & Debt Normalisation	PR ANC	75%	12.5%		
Cllr GA Ramphele	PT	Electrical and Mechanical Engineering	PR ANC	67.5%	12.5%		
Cllr L Robinson	PT	Economic Growth & Market	PR DA	67.5%	12.5%		
Cllr TL Sekgothe	PT	Public Safety	PR ANC	100%	-		
Cllr NE George	PT	MPAC	PR COPE	50%	12.5%		
Cllr KE Kgang	PT	Public Safety	PR ANC	100%	-		
Cllr KL Dire	PT	Transversal Issues	PR ANC	87.5%	-		



APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES

MAYORAL A	MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES				
COMMITTEE	PURPOSE OF COMMITTEE				
Finance Committee Housing, Land Affairs and Rural Development	 → Regulated by the LG: MFMA → Building Regulations → Municipal Planning → Pontoons, ferries, jetties, piers and harbours → Billboards and the display of advertisements in public places 				
Economic Growth and Market	→ Local Tourism→ Markets→ Street trading				
Community and Health Services	 Child care facilities Municipal Health services – not executed by the Provincial department of Health Municipal Airports Amusement facilities Cemeteries, funeral parlours and crematoria Cleansing Facilities for the accommodation, care and burial of animals Licensing and control of undertakings that sell food to the public Local amenities Municipal abattoirs Municipal parks and recreation Pounds Public places Refuse removal, refuse dumps and solid waste disposal 				
Sport, Arts and Culture Infrastructure	 Councillors provide oversight role to all committee Municipal Public works Storm-water management systems Water and sanitation services Fencing and fences Municipal Roads 				
Public Safety	 → Fire fighting services → Municipal Public Transport → Trading regulations → Control of public nuisances → Licensing of dogs → Noise pollution → Traffic and Parking → Control of undertakings that sell liquor to the public 				
Electrical Engineering Corporate Services	 ➤ Electricity and gas reticulation → Street lighting → Records Management 				
,	→ Legal Services				



	 Communication HR Administration HR Development and Training Labour Relations Administration of staff benefit schemes Administration of employment equity policy Keeping of personnel records Work-study Disciplinary procedures administration Administration of SETA Committee to develop system and procedures providing for fair, efficient, effective and transparent personnel administration including: Conduct of disciplinary hearings Representation of Council on the Local Bargaining Committee System for the monitoring, measuring and evaluating staff performance System for capacity building and training Recruitment, selection, transfer and appointment of personnel Promotion and demotion
Transversal Issues	 Deal with all Transversal Issues in the Office of the Executive Mayor Administer women, youth, disabled and elderly matters
Anglo Gold Ashanti Committee	 To facilitate, intervene and assess progress, developments, challenges and based on reports to chart a way forward to achieve the sustainable development of communities in the Matlosana Council jurisdiction area aligned with Mining Houses sustainable development objectives To discuss the transfer of certain properties of Mining Houses to the Council To mandate the Implementation Committee to proceed on a strategic drive, e.g. the incorporation of assets To make recommendations to Council with regard to joint LED projects
Midvaal Water Committee	→ To represent Council on the Midvaal Water Companies Management Structure
Orkney Vaal Committee	 → Recommend to Council to: → convert the entire resort into several sectional title units → release Council from the Administrative and financial burden that Orkney Vaal has imposed on Council → ensure that the resort as a residential area has the infrastructure and ability to be an area of high quality and therefore an asset to the City of Matlosana → implement the Turnaround strategy at Orkney Vaal
Heritage Committee	 To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for: ▶ Protection and Management of heritage resources ▶ Identification and Protection of the heritage sites ▶ Documentation and Registration thereof ▶ Management of Heritage site ▶ Presentation and Protection and that the municipality have to formulate/maintain, appropriate by-laws for the protection of the heritage sites.



APPENDIX C -THIRD TIER ADMINISTRATIVE STRUCTURE				
THIRD TIER STRUCTURE				
TITLE	NAME			
Chief Audit Executive	Seero MV			
Security Manager	Vacant			
Deputy Director: Office of the Municipal Manager	Marumo ME			
Chief Risk Officer	Moabelo NM			
Deputy Director : Mechanical Services	Rannona KD			
Deputy Director : Public Safety	Marais AJS			
Deputy Director : Community Services	Masilo MJ			
Deputy Director : Sport, Arts and Culture	Morebodi MG			
Deputy Director : Corporate Services	Ciya DN			
Deputy Director : Human Resource and Labour Relations	Vacant			
Deputy Director : Office of the Executive Mayor	Baholo N			
Deputy Director : ICT	Vacant			
Deputy Director : Income and Expenditure	Vacant			
Deputy Director : Budget and Treasury Office	Vacant			
Assistant Manager : Internal Audit	Molelekwa (Oliphant) PT			
Assistant Director : LED	Khuzwayo MA			
Assistant Director : Corporate Communication	Phele ND			
Market Master	Vacant			
Assistant Director : Water	Sibanyoni GK			
Assistant Director : Sewerage	Pilusa JJ			
Assistant Director : Roads, Storm-water and Landfill	Vacant			
Assistant Director : Development Planning And Building	Selemoseng LD			
Assistant Director : Housing Services	Phala SP			
Assistant Director : Planning and Project Management	Vacant			
Assistant Director : High and Low Voltage Distribution	Mabaso SA			
Assistant Director : Municipal Services, Garage and Mechanical Workshop	Vacant			
Assistant Director: Traffic and Security	Ntozini RW			
Assistant Director: Licensing	Muntu SP			
Assistant Director : Fire and Rescue	Vacant			
Assistant Director : Primary Health Care	Motsoenyane NM			
Assistant Director : Refuse Removal and Cleansing	Du Plessis TW			
Assistant Director: Parks and Cemeteries	Vacant			
Assistant Director: Library Services	Olivier HEM			
Assistant Director : Administration	Jansen Van Rensburg JE			
Assistant Director: Legal Services	Mokansi MG			
Assistant Director: Legal Services Assistant Director: Human Resource Management and Development	Mbotshane AT			
Assistant Director: Labour Relations	Sebetlele AJ			
Assistant Director: Cabour Relations Assistant Director: Office of the Speaker	Motingoe IS			
Assistant Director: Office of the Whip	Matyana AV			
Assistant Director: Office of the Whip Assistant Director: Expenditure Management	Letlhoo JG			
Assistant Director: Experiorure Management Assistant Director: Supply Chain Management	Motileni TB			
	Weitsz K			
Assistant Director: Debt Management				
Assistant Director: Revenue Management	Kegakilwe TN Rossouw HS			
Assistant Director: Budgeting and Planning	NU550UW II-5			



APPENDIX D - FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS				
CONSTITUTION SCHEDULE 4, PART B FUNCTIONS:	(YES / NO)			
Air pollution	Yes			
Building regulations	Yes			
Child care facilities	Yes			
Electricity and gas reticulation	Yes			
Fire fighting services	Yes			
Local tourism	Yes			
Municipal airports	Yes			
Municipal planning	Yes			
Municipal health services	Yes			
·	Yes			
Municipal public transport	res			
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes			
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes			
Storm-water management systems in built-up areas	Yes			
Trading regulations	Yes			
Water and sanitation services limited to potable water supply systems and domestic	Yes			
waste-water and sewage disposal systems Beaches and amusement facilities	Yes			
Billboards and the display of advertisements in public places	Yes			
Cemeteries, funeral parlours and crematoria	Yes			
Cleansing	Yes			
•				
Control of public nuisances	Yes			
Control of undertakings that sell liquor to the public	Yes			
Facilities for the accommodation, care and burial of animals	Yes			
Fencing and fences	Yes			
Licensing of dogs	Yes			
Licensing and control of undertakings that sell food to the public	Yes			
Local amenities	Yes			
Local sport facilities	Yes			
Markets	Yes			
Municipal abattoirs	Yes			
Municipal parks and recreation	Yes			
Municipal roads	Yes			
Noise pollution	Yes			
Pounds	Yes			
Public places	Yes			
Refuse removal, refuse dumps and solid waste disposal	Yes			
Street trading	Yes			
Street lighting	Yes			
Traffic and parking	Yes			



APPENDIX E – WARD REPORTING

	FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year	
Ward 01	Cllr MD Mogorosi	Yes	11	11	2	
Ward 02	Cllr MD Mere	Yes	11	11	4	
Ward 03	Clir LL Appels	Yes	11	11	2	
Ward 04	Cllr BM Plaatjie	Yes	12	12	2	
Ward 05	Cllr ST Mpshapudi	Yes	11	11	3	
Ward 06	Cllr SD Montoedi	Yes	12	12	4	
Ward 07	Cllr HF Saudi	Yes	11	11	3	
Ward 08	Cllr MF Nthaba	Yes	11	11	2	
Ward 09	Cllr SL Moremi	Yes	12	12	4	
Ward 10	Cllr GJ Mohale	Yes	12	12	4	
Ward 11	Cllr MI Mangesi	Yes	12	12	4	
Ward 12	Cllr MM Chao	Yes	12	12	4	
Ward 13	Cllr M S Sishuba (Acting)	Yes	7	7	2	
Ward 14	Clir LA Lenepa	Yes	12	12	3	
Ward 15	Cllr PJ Swart	Yes	8	8	0	
Ward 16	Cllr A Combrinck	Yes	9	9	0	
Ward 17	Cllr EM Postma	Yes	12	12	0	
Ward 18	Clir EPJ Nel	Yes	1	1	0	
Ward 19	Cllr JJ Le Grange	Yes	12	12	0	
Ward 20	Cllr MM Booysen	Yes	12	12	4	
Ward 21	Cllr TB Mpukwana	Yes	0	0	0	
Ward 22	Cllr MA Thelejane	Yes	8	8	3	
Ward 23	Cllr GC Mbobo	Yes	12	12	4	
Ward 24	Cllr MS Sefika	Yes	12	12	4	
Ward 25	Cllr LM Phakoe	Yes	12	12	4	
Ward 26	Cllr NE Lekoala	Yes	4	4	2	
Ward 27	Cllr BC Matolo	Yes	12	12	4	
Ward 28	Cllr CJ Bester	Yes	8	8	0	
Ward 29	Cllr SM Steyn	Yes	11	11	0	
Ward 30	Cllr WJJ Louwrens	Yes	12	12	0	
Ward 31	Cllr GA Mohoemang	Yes	12	12	2	
Ward 32	Cllr RA Matsepe	Yes	12	12	2	
Ward 33	Cllr SL Sithole	Yes	12	12	3	
Ward 34	Cllr AN Matross	Yes	12	12	2	
Ward 35	Cllr Tl Thobedi	Yes	12	12	1	



APPENDIX F - WARD INFORMATION

	WARD TITLE: WARD NAME (NUMBER)					
	CAPITAL PROJECTS: SEVEN LARGEST IN 2015/16 (FULL LIST AT APPENDIX O)					
Ward Nr	Project Name and detail	Start Date	End Date	Total Value		
1	Upgrade mechanical & electrical equipment: sewer pump- station	2015/07/01	2016/06/30	6 885		
2	Upgrade sewer network at Khuma Proper	2015/07/01	2016/06/30	15 220		
3	Alabama bulk water supply Ph3 2mℓ pressure tower	2015/07/01	2016/06/30	9 993		
4	Upgrading and beautification of Jabulani street	2015/07/01	2016/06/30	13 615		
5	Pedestrian bridge over N12 Jouberton / Alabama	2015/07/01	2016/06/30	6 285		
6	Main storm-water drainage Kanana Ph1	2015/07/01	2016/06/30	5 057		
7	Strengthening of the water network in KOSH area	2015/07/01	2016/06/30	4 386		

BASIC SERVICE PROVISION						
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE		
Households with minimum service delivery	167 430	165 974	164 694	164 644		
Households without minimum service delivery	827	2 283	3 563	3 613		
Total Households*	168 257	168 257	168 257	168 257		
*Including informal settlements						

	TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (HIGHEST PRIORITY FIRST)			
NO.	PRIORITY NAME AND DETAIL	PROGRESS DURING 2015/16		
1	FLISP –Financial linked Individual Subsidy Programme – 200 stands/houses - Orkney Ext 2 — WARD 28	Implementation Phase , Notice of advertisement already been out on newspaper, received applications for potential beneficiaries, application captured on municipal database		
2	Redevelopment of Khuma Hostel –Demolishing & Upgrading–200 RDP Houses [High Density] - WARD 34	Implementation Phase - Temporary land identified, Public participation done, temporary structure in progress		
3	Transfer of properties – Tittle deeds on historical housing project and Green fields Projects Jouberton Ext 24 – 2084 – WARD 12 Alabama Ext 3 – 2178 – WARD 4 Khuma Ext 11 – 311 – WARD - 31 Kanana Ext 14 – 2616 – WARD 22 Tigane Ext 6 Jouberton Ext 22 Jouberton Ext 15 Jouberton Ext 16 Khuma Ext 6	Services provider has been appointed and the Transfer of properties is under way.		
4	Integrated Residential Development Programme :Top Structure Construction of 307 Units - Tigane Ext 6 – WARD 2	Project is under construction.		



APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2015/16

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS				
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2015/16	RECOMMEN- DATIONS ADOPTED		
24 AUGUST 2015	That in the next Audit Committee meeting, the challenges confronting the finance department in completing AFS on time be discussed.			
22 SEPTEMBER 2015	Internal Audit reports -SCM That the acting Chief Financial Officer look at the delegation of powers on payment of creditors as per threshold.	Adopted		
	Follow Up Audit – SCM Alternative Energy 2013/2014 That the management be engaged on the matter and indicate what control measures have been put in place	Adopted		
29 OCTOBER 2015	9 OCTOBER Implementation of AG's findings			
	Activity Report (1st Quarter 2015/2016) That the one operational audit plan be revised and be forwarded to the AC members through round robin basis.	Adopted		
22 JANUARY	Finance - Quarterly report for October – December 2015 and the	Not adopted		
2016	statement of financial performance (Section 71 report) That the future reports should include cash forecast for the next three months and explanation on zero or under expenditure on conditional grants			
	AUDITOR-GENERAL Dashboard Report That 2014/15 audit action plan, should incorporate issues in the AG's dashboard report	Adopted		
	Fruitless, wasteful, irregular and unauthorized expenditure That a report on fruitless, wasteful, irregular and unauthorized expenditure, for the three quarters be submitted in the next meeting.	Adopted		
	Supply Chain Management Report → That Internal Audit performs a substantive audit on contracts procures through regulation 32 contract as detailed in both 1st and 2nd quarter report, with more attention on whether bidding processes were followed → That future reports should include deviation that occurred previously but still running → That the future report include a column of estimated budget of service procured	Adopted		
	Implementation of AG's findings → That the report be deferred and a revised action plan incorporating issues in the AG's dashboard be submitted to Internal Audit within seven days → That the action plan be share with the office of Auditor General → That the Action Plan should deal with correcting the internal	Adopted		



T.		
	control processes holistically and not to only focus on sample in	
	the AG's findings	
	That the Housing manager submit a report on housing and how the	Adopted
	unit deals with challenges identified, with specific reference to the	
	following:-	
	→ Lack of contract management on contractors appointed	
	→ Illegal occupation	
	Review of AFS	Adopted
	That the time frames be attached when dealing with challenges in	
	completing AFS	
	Fruitless, wasteful, irregular and unauthorised expenditure	Adopted
	That the CFO progress report on three prohibited expenditure be	
	submitted in the special AC meeting to be held on 30 June 2016	
22 APRIL 2016	SCM report 1st quarter	Adopted
	That the special audit be conducted on tenders awarded to service	·
	providers with specific attention to its functionality by Internal Audit	
	Activity.	
	◆ That a special audit be performed on the thirty thousand	
	quotations.	
	Action Plan 2014/2015 financial year:	Adopted
	That the CFO must attend to findings relating to indigent register.	·
30 JUNE 2016	Draft Internal Audit 3 year Rolling Plan	Adopted
	That every three year an audit on Data and IT should be conducted by	
	Internal Audit as per National Treasury Circular compliance.	
	Draft Audit Committee Charter- 2016/17 Financial Year	Adopted
	That the Audit Committee Charter 2016/17 be tabled before Council for	•
	approval	
Draft 2015/16 Annual Financial Statements		Adopted
	That the Acting Municipal Manager should consider the transfer of	,
	skills from Grant Thornton Consultants to Finance personnel	
	responsible for the specific key performance area.	
	• • • • • • • • • • • • • • • • • • • •	



APPENDIX H - LONG TERM CONTRACTS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2015/16)				
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project Manager
Tshireletso Services	Provide security on services for the City of Matlosana	01/12/2013	31/11/2016 Notice must be issued to the service provider	Public Safety
Dreamfinder Trading and Projects	Supply, installation and monthly maintenance and rental of hygiene equipment	01/03/2014	28/02/2017	Administration
Thabang New Business Technology	Supply and delivery of concrete manhole covers, cover slabs and storm-water pipes, concrete palisade, kerbing and paving bricks for period of 36 month, as and when required	17/06/2014	17/06/2017	
Willsie Venter	Water supply	01/10/2014	30/09/2017	Water section
Procurex Security Services (2005/016890/07)	Supply of cameras and speed equipment for comprehensive traffic management	01/04/2014	30/03/2017	
Maidu Building Construction and Civil Works Cc (2005/166289/23)	Supply and delivery of concrete manhole covers, cover slabs and storm-water pipes, concrete palisade, kerbing and paving bricks for period of 36 months, as and when required	17/06/2014	16/06/2017	
Blue Chille Investments	Repair of road crossing in the KOSH are for a period of 36 months, as and when required	17/06/2014	16/06/2017	
Botlhabatsatsi Trading and Projects Cc	Repair of road crossing in the KOSH are for a period of 36 months, as and when required	17/06/2014	16/06/2017	
Khabokedi Waste Management (Pty) Ltd	Operation and maintenance of Klerksdorp landfill site	17/06/2014	16/06/2017	
Khabobedi Waste Management (Pty) Ltd	Operation and maintenance of Klerksdorp and Orkney landfill site	18/12/2013	17/12/2016 Notice must be issued to the service provider	
Billboards Advertising Lihlebo Media (2007/225532/23)	Advertising within the jurisdiction of com taxi ranks: Klerksdorp, Stilfontein, Orkney, Hartebeestfontein, Khuma,	01/11/2014	01/10/2017	



	Jouberton, Kanana			
Midvaal Water Company (1954/002224/08)	Bulk water supply	Signed: 01/09/2016	30/08/2021	Water section
Nashua	Library (018) 4878681- Alex Str Alabama	01/04/2012	30/09/2017	
Tokkie Ferreira Brokers	Insurance	01/01/2015	31/12/2018	
Ditsibi Dikopane Construction (Pty) Ltd	Supply and delivery of bituminous roads and binding materials	29/08/2014	29/08/2017	Civic Services and Human Settlement
Papino Holdings and Projects (Pty) Ltd	Supply and delivery of bituminous road and binding material	29/08/2014	29/08/2017	Civic Services and Human Settlement
NI Suppliers and Projects (Pty) Ltd	Compactor truck driver agreement	29/08/2014	29/08/2017	Civic Services and Human Settlement
Aqua Transport and Plant Hire	Supply and delivery of bituminous road and binding material	01/11/2015	04/10/2018	Municipal and social services
Minathi Projects and Services (Pty) Ltd	Construction of game fence at Faan Meintjies Nature Reserve	25/09/2015	24/08/2018	Municipal and Environmental Services
Afrifrent (Pty0 Ltd	Monitoring and recovery system and fuel management	01/12/2015	31/07/2018	Electrical and Mechanical Engineering
Siyakha-Isizwe Trading Enterprise	Supply, installation and maintenance of multifunctional copies (mfcs) to hire	01/11/2015	31/10/2019	Corporate Services
Afric Oil and Berk Street Property	Supply and delivery of fuel (including maintenance of pumps) and lubrication oil for the periods of 3 year	01/02/2016	31/01/2019	Finance
Panel of Attorneys 1.Lourens, Bezuidenhout Inc. 2.Oosthuisen Du Plooy 3. Waks Silent 4.Va Mazabane 5.Gs Dlanjwa Attorneys 6.Lebethe Attorneys 7.Kganele Bontsi and Khumalo 8.Padi Incorporated Attorneys 9.Masike Inc. Attorneys 10.Bezuidt Attorneys 11.Majang Attorneys 12.Katake Attorneys 13.De Swart, Vogel Myombo 14.R Masilo 15.Matshitse Attorneys 16.Maponya Ledwaba Inc. 17.Lizel Venter Attorneys 18.Kgomo Attorneys Inc.	To provide legal support and services for a period of 3 years as an when required	04/01/2016	04/01/2019	Corporate Service



APPENDIX I - MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE



APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS PERIOD 1 JULY TO 30 JUNE OF 2016					
Position	Name	Description of Financial interests* (Nil / Or details)			
Executive Mayor	Cllr M K Khauoe	Sasol Limited 15%, Inzalo Public Limited 55%, MK Khauoe 100%			
Speaker of Council	Cllr L M Kortjas	Submitted flats, accommodation and Director Midvaal Water Company			
Single Whip of Council	Cllr G S Nkebe	Morogo People's Development Project 33% Dishashe			
Member of Mayco / Exco					
Corporate Services	Cllr T I Thobedi	N/A			
Transversal Issues	Cllr M E Kgaile	N/A			
Housing, Land and Rural Development	Cllr L M Mothibedi	N/A			
Sport, Arts & Culture	Cllr M E Mtimkulu	N/A			
Finance & Debt Normalization	Cllr M M S Lee	Matseliso Titans			
Economic Growth & Market	Cllr G R Kgosi	N/A			
Public Safety	Cllr G C Mbobo	N/A			
Community &Health Services	Cllr P R Pooe	Kebontse			
Infrastructure & utilities	Cllr R A Matsepe	Alternate Director Midvaal Water Company			
Electrical & Mechanical Engineering	Cllr N S Mendela	Dan Pro& Manoli			
Chairperson of the MPAC	Cllr L T Mabunda	Nkotazo Trading Enerprise 100%, KER-LAN Trading & Projects (wife's) member of the MCPF			
Councillors					
	Cllr M D Mogorosi	N/A			
	Cllr T B Mpukwane	N/A			
	Cllr A Combrinck	Manager Anumelmig Vullis Verwyding T/A Landrom Skips			
	Cllr K E Kgang	N/A			
	Cllr S L Sithole	Member of the MCPF, Foster Care Grants			
	Cllr T L Sekgothe	N/A			
	Cllr M P Hlaka	Owns a tuck shop, member of the MCPF			
	Cllr E G Hart	Hart Properties cc 50%. Ted Hart Attorney 100%.			
	Cllr I G Hendricks	N/A			
	Cllr M M Booysen	N/A			
	Cllr P J Swart	N/A			
	Cllr N M Maseko	Tsogang Bomme 24%			
	Cllr M M Bontsi	Lusa Construction 33, 3%, GLMM Engineering & Logistics			



Cllr M S Sishuba	Masetshi trading 10%, Arefadimeheng Basadi 20%, both dormant
Cllr M D Mere	Mere Bricks & Hardware cc 100% Siyanqoba Engineering Party Limited 50% Guatrotec Engineering
Cllr M C Dithejane	N/A
Cllr S D Montoedi	Retirement Annuity, Montoedi Panel Beaters 100% Kgothang Mmoho Agricultural Co-op
Cllr M M Chao	N/A
Cllr S M Steyn	N/A
Cllr E P J Nel	J C Nel Family Trust, Alternate Director Midvaal Water Company Part time Worker at J C Nel QS R5700.00p/m Dennegeur Family Trust Pretoria.
Cllr O M Mogale	OANDM Managers 100% News Armed Response 100% Face Lift Properties N/A Grinaker 100%. WPRND 33%
Cllr A L Lobese	N/A
Cllr L Robinson	Employed: SENWES R157000 p/a
Cllr J J Le Grange	Le Grange / Mitchell Properties 40% JJ Le Grange Financial Consultants.
Cllr N E George	B4 Sunrise Agric Co-op 33.3% Family General Dealer100% Taxi Industr, Farmer and have Live Stock Farm Council Lease Member of the SALAMPF
Cllr J M Sebata	NWDC Interim Board Member, dept. Education R96000.00 p.a.
Cllr M A Thelejane	N/A
Cllr G J Mohale	Sasol Inzalo 10% Hamba Kahle Guest House and Pub 100% Telkom shares
Cllr M Coetzee	Phillip Coetzee Family Trust 52 Vermaas
Cllr G N Malete	Yebo Yethu
Cllr C J Bester	Your Homes Property Realtors cc 50% Tanni Management & Facilitators cc 50% C J Construction
Cllr K L Dire	N/A
Cllr H F Saudi	N/A
Cllr S L Nakedi	N/A
Cllr M F Nthaba	N/A
Cllr L A Lenepa	N/A
Cllr E M Postma	24 Heide Street Farm Drogekraal Properties.
Cllr S T Mpshapudi	N/A
Cllr B M Plaatjie	Gaetshware
Cllr B C Matolo	N/A
Cllr PT Horn	Sentinel Retirement Fund House @ Hermanus
Cllr M S Sefika	N/A
Cllr F I Tagaree	Speed of Light



	Cllr A N Matross	Vision Expects Trading Enterprise PTY LTD 50%.
	Cllr L L Cutswa	N/A
	Cllr S L Moremi	N/A
	Cllr G A	N//A
	Mohoemang	N/A
	Cllr K L Ross	N/A
	Cllr L M Phakoe	LAZPHAK Trading
	Cllr L L Appels	Dept Education R276.000 p.a.
	Cllr WJJ Louwrens	N/A
	Cllr I M Groenewald	Alternate Director Midvaal Water Company
	Cllr M I Mangesi	Tlhamalalang Trading Enterprise cc 80%
		Nkagisang Trust Farming & mining. Gobuamang B
	Cllr G A Ramphele	Enerprise 50%, One Turn Trading 50 %, Ngwao art Co-
		op, Ya Rona Coop,
	Cllr N E Lekoala	N/A
Municipal Manager	Vacant	N/A
	Mr C H R Boshoff	UMS (Cape) Pty Ltd Consulting
Chief Financial Officer	(Acting)	DLGHS North-West Consulting
	(Acting)	House Potchefstroom R2 000 000
Other S56 Officials		
Director: Macro City Planning	Mr S G Mabuda	House Adamayview - R1 200 000 House Doringkruin -
and Development	Wil O O Mabada	R850 000
Director: Strategic Planning,	Ms L M Ramorola	Town House Klerksdorp – R1 600 000
Monitoring and Control	mo 2 m ramoroia	·
Director: Civil Services and	Mr L M More	Kwa Mhlanga Turkey R10 000 Township
Human Settlements	2	Residential units R900 000
Director: Electrical and	Vacant	N/A
Mechanical Engineering	- 5.00	
Director: Municipal and	Vacant	N/A
Environmental Services		
Director: Corporate Services	Vacant	N/A



APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE									
						R' 000			
	2014/15		2015/16		2015/16	Variance			
Vote Description	Actual	Original	Adjusted	Actual	Original	Adjust- ments			
1.1 - Executive & Council	2 783	4 652	5 165	2 066	1.25	1.50			
1.2 - Budget & Treasury Office	544 166	448 884	505 031	782 369	-0.43	-0.35			
1.3 - Corporate Service	826	493	364	873	-0.44	-0.58			
2.1 - Roads	2 052	57 185	58 025	4 789	10.94	11.12			
2.2 - Water	438 851	640 970	622 580	448 233	0.43	0.39			
2.3 - Sewer	102 380	190 318	168 068	98 206	0.94	0.71			
2.4 - Electricity	633 136	828 337	795 341	685 098	0.21	0.16			
2.5 - Housing	1 349	1 860	1 481	2 131	-0.13	-0.31			
3.1 - LED	1	5	5	-	-	-			
3.2 - Market	14 928	21 695	18 695	18 204	0.19	0.03			
4.1 - Community & Environmental									
Services	4 331	5 046	6 274	4 501	0.12	0.39			
4.2 - Sport & Recreation	1 117	9 165	9 965	1 409	5.50	6.07			
4.3 - Public Safety	71 465	79 976	83 677	82 033	-0.03	0.02			
4.4 - Health	0	300	200	44	5.82	3.55			
4.5 - Cleansing	67 076	220 268	220 936	135 160	0.63	0.63			
TOTAL REVENUE BY VOTE	1 884 461	2 509 154	2 495 807	2 265 116	25.02	23.33			



APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE							
						R '000	
	2014/15		2015/16		2015/16	Variance	
Description	Actual	Original	Adjusted	Actual	Original	Adjust ments	
Property rates	47 297	270 068	279 632	272 707	1%	-3%	
Property rates - penalties & collection of	charges	1					
Service Charges - electricity revenue	594 194	753 499	748 037	661 692	-14%	-13%	
Service Charges - water revenue	309 364	468 234	440 888	433 535	-8%	-2%	
Service Charges - sanitation revenue	68 005	129 136	116 180	91 496	-41%	-27%	
Service Charges - refuse revenue	89 596	159 486	160 000	122 543	-30%	-31%	
Service Charges - other	1 507	17 500	5 000	1 414	-1137%	-254%	
Rentals of facilities and equipment	5 233	5 593	5 578	4 579	-22%	-22%	
Interest earned – ext. investments	2 799	2 108	2 108	6 912	70%	70%	
Interest earned - outstanding debtors	88 403	79 385	119 385	131 569	40%	9%	
Dividends received	-	-	-	-	0%	0%	
Fines	5 387	3 031	2 516	13 573	78%	81%	
Licences and permits	6 773	7 271	7 552	6 615	-10%	-14%	
Agency services	-	-	-	-	0%	0%	
Transfers recognised - operational	415 405	350 595	350 995	446 706	22%	21%	
Other revenue	50 497	134 322	125 576	71 775	-87%	-75%	
Gains on disposal of PPE	-	-	-	-	0%	0%	
Environmental Protection	-	-	-	-	0%	0%	
Total Revenue (excluding capital transfers and contributions)	1 884 461	2 380 228	2 363 448	2 265 116	-5.08%	-4.34%	



APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2015/16								
				Varia	nce	R' 000		
Details	Budget	Adjusted	Actual	Budget	Adjust ments	Major conditions applied by donor (continue below if necessary)		
Neighbourhood Development Partnership Grant	26 987	25 000	27 119	-0.00	(0.08)	Radiating spatial inequality towards the creation of liveable, sustainable, resilient, efficient and integrated towns and cities		
Other Specify:								
Sport & Recreation	1 000	1 000	608	0.64	0.64	To facilitate sport and creation participation and empowerment in partnership with relevant stakeholders		
INEP	5 000	5 000	3 477	0.44	0.44	To reduce the backlogs of un- electrified households and to fund infrastructure to ensure constant supply of electricity		
MSIG	930	930	930	-	-	To promote the improvement of municipal administration systems		
EPWP Incentive	3 028	3 028	3 389	-0.11	(0.11)	To provide funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised		
FMG	1 675	1 675	1 674	0.00	0.00	To promote and support financial management reform by building capacity in municipalities to implement the Municipal Finance Management Act		
TOTAL	38 620	36 633	37 197	0.04	(0.02)			

COMMENTS ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

No conditional grants were received from other sources than the DORA act.

Overall expenditure on the grants from other sources was good and no funds were paid back / surrendered by National Treasury.

Expenditure on the Sport & Recreation grant and INEP grants lack behind the rest.



APPENDIX M: CAPITAL EXPENDITURE - NEW & UPGRADE / RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

CA	CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*							
							R '000	
	2014/15		2015/16		Planned Capital Expenditure			
Description	Actual	Original	Adjusted	Actual Expenditure	2016/17	2017/18	2018/19	
Capital expenditure by Asset Class								
Infrastructure - Total	51 825	125 497	93 487	70 032	113 522	111 293	114 930	
Infrastructure: Road transport - Total	25 239	52 536	43 905	41 206	46 170	47 767	52 670	
Roads, Pavements & Bridges	25 239	52 535	43 904	41 206	46 169	47 766	52 670	
Storm-water								
Infrastructure: Electricity - Total	19 885	10 000	10 000	7 790	23 400	21 000	16 206	
Transmission & Reticulation	19 885	10 000	10 000	7 790	23 400	21 000	16 206	
Street Lighting								
Infrastructure: Water - Total	1 731	34 964	34 114	16 813	6 766	24 027	25 885	
Dams & Reservoirs								
Water purification								
Reticulation	1 731	34 964	34 114	16 813	6 766	24 027	25 885	
Infrastructure: Sanitation - Total	4 970	27 997	5 468	4 222	37 186	18 500	20 169	
Reticulation								
Sewerage purification	4 970	27 997	5 468	4 222	37 186	18 500	20 169	
Community - Total	14 262	3 430	6 876	3 643	6 000	12 022	10 435	
Sports fields & stadia		3 430	3 431	1 830	5 300	12 022	10 435	
Swimming pools	14 262		600					
Fire, safety & emergency			2 846	1 813				
Cemeteries				0	700			
Other assets	_	10 000	10 000	9 468	4 624	4 826	4 783	
General vehicles		5 000	5 000					
Markets				9 468	4 624	4 826	4 783	
Other		5 000	5 000					
Total Capital Expenditure on new assets	66 087	138 927	110 364	83 143	124 145	128 141	130 148	



APPENDIX M (ii): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME

CAPITAL E	XPENDITU	re - Upgi	RADE/RENE	WAL PRO	GRAMME*					
							R '000			
	2014/15		2015/16		Planned Capital Expend					
Description	Actual	Original	Adjusted	Actual	2016/17	2017/18	2018/19			
Capital expenditure by Asset C	Capital expenditure by Asset Class									
Infrastructure - Total	33 481	_	32 642	29 800	_	_	_			
Infrastructure: Road transport -Total	10 270	_	_	-	_	_	-			
Roads, Pavements & Bridges	10 270									
Storm-water										
Electricity - Total	427	_	1 324	875	_	_	-			
Generation	427		1 324	875						
Transmission & Reticulation										
Street Lighting										
Water - Total	13 539	_	8 086	6 820	_	_	_			
Dams & Reservoirs										
Water purification										
Reticulation	13 539	_	8 086	6 820	0	0	0			
Sanitation - Total	9 245	_	23 232	22 105	_	_	_			
Reticulation										
Sewerage purification	9 245	_	23 232	22 105	_	_	_			
Community – Total	10	_	_	_	_	_	_			
Parks & gardens										
Sport fields & stadia										
Swimming pools	10	-	-	-	-	-	-			
Total Capital Expenditure on renewal of existing assets	33 491	-		29 800	-	_	-			



APPENDIX N - CAPITAL PROGRAMME BY PROJECT 2015/16

CAPITAL PROGRAMME BY PROJECT: 2014/15									
R' 00									
Capital Project	Original	Adjustment	Actual	Variance (Act - Adj) %	Variance (Act - OB) %				
Water	34 964	34 114	19 714	-43%	-44%				
Sanitation / Sewerage	27 997	28 701	25 962	-9%	-7%				
Electricity	10 000	11 324	10 882	-4%	8%				
Storm-water	52 536	51 681	43 274	-21%	-17%				
Economic development	0	309	0	0%	0%				
Sport, Arts & Culture	3 430	4 030	1 382	65%	59%				
ICT and Other	0	0	4 893	100%	100%				



APPENDIX O - CAPITAL PROGRAMME BY PROJECT BY WARD 2015/16

CAPITAL PROGRAMME BY PROJECT BY	Y WARD: 2015/16	
		R'000
Capital Projects	Ward(s) affected	Works completed (Yes/No)
Water		
Strengthening water network KOSH area	1 to 35	No
Alabama bulk water supply phase 3	3 to 5 and 8	No
Sanitation / Sewer		
Upgrade mechanical &electrical equip sewer pump-station	1 to 35	Yes
Upgrade sewer network at Khuma property	34 and 35	No
Electricity		
Electrification Brakspruit CPA	18	Yes
High mast lights Kanana Phase 7	20, 22, 23, 24, 25, 26, 27	Yes
High mast lights Khuma Phase 4	31, 35	Yes
High mast lights Jouberton hot spot areas	7, 14	Yes
Electrification Brakspruit CPA	18	Yes
Roads and Storm-water Drainage		
Pedestrian bridge over N12 Jouberton / Alabama		No
Main storm-water drainage Kanana (phase) 1 214		No
Local Economic Development		
Upgrade and beautification of Jabulani street		No



APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

ALL SCHOOLS ARE BEING COVERED BY PUBLIC WORKS



APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

NOT APPLICABLE



APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

NOT APPLICABLE

Appendices

List of Acronyms





LIST OF ACRONYMS

AC : Audit Committee AG : Auditor-General

AGSA : Auditor-General of South Africa

CBD : Central Business District
CBP : Community Based Plan

CC : Council Committee resolution
CPA : Community Property Association
CRU : Community Residential Unit
DoRA : Division of Revenue Act
DRM : District Risk Management
DWA : Department of Water Affairs

EECF : Employment Equity Consultative Forum
EPWP : Extended Public Works Programme
GIS : Geographical Information System
IDP : Integrated Development Plan

INEP : Integrated National Electrification Program

LLF : Local Labour Forum

KOSH : Klerksdorp, Orkney, Stilfontein and Hartbeesfontein

KPA : Key Performance AreasKPI : Key Performance IndicatorsLED : Local Economic Development

LGSETA : Local Government: Sector Education and Training Authority

MCPF : Municipal Councillors Pension Fund
MDG : Millennium Development Goals
MIG : Municipal Infrastructure Grant

MFMA : Municipal Financial Management Act
MSA : Municipal Systems Act, as Amended
OHS : Occupational Health and Safety
PAC : Performance Audit Committee

PGDS : Provincial Government Development Sector

PMS : Performance Management System

POE : Portfolio of Evidence ROI : Return on Investment

RTMC : Road Traffic Management Committee

SALGA : South African Local Government Association

SCM : Supply Chain Management

SDBIP : Service Delivery and Budget Implementation Plan

SETA : Sector Education and Training Authority
SMME : Small, Medium and Micro Enterprises

WSP : Workplace Skills Plan

WWTP : Waste Water Treatment Plant

Volume II Annual Financial Statements



Annual Financial Statements for the year ended June 30, 2016

General Information

Nature of business and principal activities

To within its financial and administrative capacity:

-provide democratic and accountable government for the community of

Matlosana;

-to ensure the provision of services to the community in a sustainable

manner;

-to promote social and economic development; -to promote a safe and healthy environment; and

-to promote a safe and nealthy environment; and

-to encourage the involvement of the community and community

organisations in the matters of the municipality.

Legislation governing the operations of the municipality includes but are

not limited to the following:

-The Constitution of the Republic of South Africa, 1996 and specifically

Chapter 7

MK Khauoe

-Local Government: Municipal Structures Act 117 of 1998 -Local Government: Municipal Systems Act 32 of 2000

-Local Government: Municipal Finance Management Act 56 of 2003

Mayoral committee

Executive Mayor

Councillors MMS Lee

GR Kgosi ME Mthimkulu TI Thobedi GC Mbobo ML Mothibedi ME Kgaile RA Matsepe NS Mendela PR Pooe

Acting Accounting Officer SG Mabuda

Acting Chief Finance Officer (CFO) CHR Boshoff

Registered office Bram Fischer Street

Klerksdorp

2571

Business address Bram Fischer Street

Klerksdorp

2571

Postal address PO Box 99

Klerksdorp 2570

Bankers ABSA Bank Ltd
Auditors Auditor General

Annual Financial Statements for the year ended June 30, 2016

Index

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

Index	Page
Accounting Officer's Responsibilities and Approval	308
Statement of Financial Position	309
Statement of Changes in Net Assets	311
Statement of Financial Performance	310
Cash Flow Statement	312
Statement of Comparison of Budget and Actual Amounts	313 - 315
Accounting Policies	316 - 335
Notes to the Annual Financial Statements	336 - 369

Abbreviations

COID Compensation for Occupational Injuries and Diseases

CRR Capital Replacement Reserve

DBSA Development Bank of South Africa

SA GAAP South African Statements of Generally Accepted Accounting Practice

GRAP Generally Recognised Accounting Practice

GAMAP Generally Accepted Municipal Accounting Practice

HDF Housing Development Fund

IAS International Accounting Standards

IMFO Institute of Municipal Finance Officers

IPSAS International Public Sector Accounting Standards

ME's Municipal Entities

MMC Member of the Mayoral Council
MFMA Municipal Finance Management Act

MIG Municipal Infrastructure Grant (Previously CMIP)

Annual Financial Statements for the year ended June 30, 2016

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

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

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements is still subject to audit.

The annual financial statements set out on pages 309 to 369, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on its behalf by:

Accounting Officer TSR Nkumise

786 91e

Statement of Financial Position as at June 30, 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Current Assets			
Inventories	8	35,280,315	73,604,140
Receivables from exchange transactions	9	26,541,938	22,729,502
VAT receivable	10	13,450,693	27,027,163
Consumer debtors	11	161,607,870	118,662,110
Other receivables	7	24,987	3,027,828
Cash and cash equivalents	12	25,568,909	
		262,474,712	275,550,762
Non-Current Assets			
Investment property	2	89,761,377	46,279,402
Property, plant and equipment	3		5,940,063,360
Intangible assets	4	4,578,555	763,104
Heritage assets	5	10,824,777	
Other financial assets	6	27,692,322	25,796,965
Security Deposit paid to Eskom		15,000,000	400000000000000000000000000000000000000
Other receivables	7	147,640	162,548
Nature reserve - Wild stock		2,554,281	1,959,566
			6,025,843,422
Total Assets		5,979,829,711	6,301,394,184
Liabilities			
Current Liabilities			
Other financial liabilities	13	13,109,542	13,109,542
Payables from exchange transactions	16	544,856,815	534,251,922
Unspent conditional grants and receipts	14	10,616,126	14,067,069
Provisions	15	12,546,570	12,445,579
Consumer deposits	17	29,309,017	22,947,417
National Treasury Liability		16,596	-
		610,454,666	596,821,529
Non-Current Liabilities			
Other financial liabilities	13	102,720,212	115,829,754
Provisions	15	253,637,219	267,491,759
EST OF GREAT PROGRAM		356,357,431	383,321,513
Total Liabilities		966,812,097	980,143,042
Net Assets		5,013,017,614	5,321,251,142
Net Assets			
Accumulated surplus		5,013,017,614	5,321,251,142

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue			
Service charges	20	1,309,265,825	1 061 158 020
Rendering of services		3,701	38
Rental of facilities and equipment		4,579,207	5,232,869
Licences and permits		6,614,545	6,773,240
Miscellaneous other revenue		4,197	137,440
Commissions received		10,370,251	9,885,896
Royalties received		2,338,097	1,976,233
Rental income		295,481	237,722
Discount received		638,644	569,692
Recoveries		2,113,123	2,013,743
Other income		14,164,825	15,748,016
Donation of Property		25,772,055	5,000,000
Interest received	27	138,480,734	91,202,405
Property rates	19	272,706,788	247,297,084
Government grants & subsidies	21	446,706,348	415,405,000
Levies		1,410,620	1,507,176
Fines		13,573,269	5,386,779
Market dues		16,078,744	14,928,306
Total revenue		2,265,116,454	
			1,001,100,000
Expenditure	24		
Employee related costs	24		(478,414,639)
Remuneration of councillors	25	(23,981,844)	
Depreciation and amortisation	28		(436,911,755)
Finance costs	29	(33,862,799)	
Lease rentals on operating lease	00	(12,256,399)	
Debt impairment	26		(268,834,486)
Repairs and maintenance		(51,965,640)	
Bulk purchases	32		(660,850,277)
Contracted services	31	(32,055,317)	
General expenses	23	(217,510,430)	(210,243,985)
Total expenditure		(2,573,398,847)	2,215,982,909)
Operating deficit		(308,282,393)	(331,522,350)
Deficit for the year		(308,282,393)	(331,522,350)

Statement of Changes in Net Assets

Figures in Rand	Accumulated Total net surplus assets
Opening balance as previously reported Adjustments	5,674,639,041 5,674,639,041
Correction of errors	(21,865,552) (21,865,552)
Balance at July 1, 2014 as restated* Changes in net assets	5,652,773,489 5,652,773,489
Deficit for the year	(331,522,347) (331,522,347)
Total changes	(331,522,347) (331,522,347)
Balance at July 1, 2015 Changes in net assets	5,321,300,006 5,321,300,006
Deficit for the year	(308,282,392) (308,282,392)
Total changes	(308,282,392) (308,282,392)
Balance at June 30, 2016	5,013,017,614 5,013,017,614
Note(s)	

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,073,930,344	974,674,124
Grants		443,255,405	413,950,357
Interest income		138,480,734	91,202,405
VAT received		13,576,470	6,177,524
Other receipts		56,423,237	53,737,553
		1,725,666,190	1,539,741,963
Payments			
Employee costs		(527, 150, 151)	(481,059,425)
Suppliers		(1,072,278,232)	(892,719,860)
Finance costs		(33,862,799)	(43,778,999)
		(1,633,291,182)(1,417,558,284)
Net cash flows from operating activities	33	92,375,008	122,183,679
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(87,093,545)	(96,128,268)
Proceeds from sale of property, plant and equipment	3		5,105,345
Proceeds from sale of investment property	2	17,830,596	-
Purchase of other intangible assets	4	(3,815,451)	-
Purchases of heritage assets	5	(6,300)	-
Net movement of financial assets		(1,895,357)	(1,780,924)
Increase in deposits paid to Eskom		(15,000,000)	-
Purchase of nature reserve - wild stock		(594,715)	
Net cash flows from investing activities		(90,574,772)	(92,803,847)
Cash flows from financing activities			
Repayment of other financial liabilities		(13,109,542)	(14,706,487)
Movement in consumer deposits		6,361,600	6,269,012
Repayment of liability to National Treasury		16,596	(40,100,000)
Net cash flows from financing activities		(6,731,346)	(48,537,475)
Net increase/(decrease) in cash and cash equivalents		(4,931,110)	(19,157,643)
Cash and cash equivalents at the beginning of the year		30,500,019	49,657,662
Cash and cash equivalents at the end of the year	12	25,568,909	30,500,019

Statement of Comparison of Budget and Actual Amounts Budget on Cash Basis

Duuget oil Casil Dasis					
	Approved Adjustments budget		Final Budget Actual amounts on comparable	Actual amounts Difference on comparable between final hasis	Reference
Figures in Rand				actual	
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	1,290,646,580	32,350,910	32,350,910 1,322,997,490 1,309,265,825		(13,731,665) The service revenue is demand driven and therefore variances
Rendering of services	200,000	(200,000)		3.701	3,701
Rental of facilities and equipment	5,279,190	99,700	5,378,890	4.579,207	(799,683)
Licences and permits	7,285,790	(2,094,524)	5,191,266	6,614,545	1,423,279
Miscellaneous other revenue	1,723,700	•	1,723,700	4,197	(1,719,503)
Commissions received	9,278,580	1	9,278,580	10,370,251	1,091,671
Royalties received	1,414,940	1,085,060	2,500,000	2,338,097	(161,903)
Rental income	202,000	(2,000)	200,000	295,481	95,481
Discount received	584,700	•	584,700	638,644	53,944
Recoveries	44,520	200,000	544,520	2,113,123	1,568,603
Other income	32,789,350	(11,583,910)	21,205,440	14,164,825	(7,040,615)
Donations Received		•			25,772,055 Donations are not budgeted for
					and hence the material difference.
Interest received - investment	81,492,730	40,000,000	121,492,730	138,480,734	16,988,004 Due to the revenue
					enhancement efforts by the
					Municipality there was more
					initially budgeted for.
Total revenue from exchange transactions	1,430,942,080	60,155,236	60,155,236 1,491,097,316 1,514,640,685		23,543,369
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	270,068,400	9,563,905	279,632,305 27	272,706,788	(6,925,517)

Statement of Comparison of Budget and Actual Amounts Budget on Cash Basis

Dudget oil Casil Basis							
Figures in Rand		Approved budget	Adjustments	Final Budget	Final Budget Actual amounts Difference on comparable between final basis budget and actual	Difference between final budget and actual	Reference
Transfer revenue Government grants & subsidies	350,594,730	(92,650)	350,502,080	446,706,348	96,204,268 ⊤	96,204,268 The revenue on capital projects	pital projects
Levies Fines	1,590,000	(510,000)	1,590,000 2,466,130	1,410,620	(179,380) 11,107,139	was more than what was budgeted for. (179,380) 11,107,139 There was an enhanced system	what was for.
Market Dues	19,000,000	(3,000,000)	16,000,000	16,078,744	of th m3 78,744	of recognition of fines revenue in the current year which led to the material difference to the budget.	es revenue in ich led to the to the budget.
Total revenue from non-exchange transactions	644,229,260	5,961,255	650,190,515	750,475,769	100,285,254		
Total revenue	2,075,171,340	66,116,491 2	66,116,491 2,141,287,831 2,265,116,454	,265,116,454	123,828,623		
Expenditure Personnel Remuneration of councillors Depreciation and amortisation	(490,765,300) (21,421,270) (463,943,670)	(8,083,510) - 13,943,670	(498,848,810) (21,421,270) (450,000,000)	(489,414,758) (23,981,844) (472,943,600)	9,434,052 (2,560,574) (22,943,600)	9,434,052 (2,560,574) (22,943,600) There was a significant amount	icant amount
Finance costs	(10,934,050)	(164,930)	(11,098,980)	(33,862,799)	(22,763,819)	the Pte and the resultant depreciation caused the material variance. Overdue bulk purchases	e resultant e resultant aused the iance.
Lease rentals on operating lease Bad debts written off	(10,687,010) (373,522,590)	(13,913,252)	(24,600,262) (407,522,590)	(12,256,399) (480,063,289)	12,343,863 (72,540,699) ⁻	resulted in the difference. 12,343,863 (72,540,699) The debtors book increased at	difference.
Repairs and maintenance	(61,005,944)	387,195	(60,618,749)	(51,965,640)	8,653,109	a rate higher than expected and consequently so did the allowance for bad debts	n expected y so did the oad debts

Statement of Comparison of Budget and Actual Amounts Budget on Cash Basis

buuget on cash basis					
		Approved budget	Adjustments	Final Budget	able b
Figures in Rand					basis budget and actual
Bulk purchases	(747,356,860)	1	(747,356,860)	(759,344,771)	(747,356,860) (759,344,771) (11,987,911)It's difficult to budget accurately for bulk purchases because the services are demand driven and also influenced by the
Contracted Services	(31,500,000)		(31,500,000)	(31,500,000) (32,055,317)	climate. (555,317)
General Expenses	(212,748,430)	(26,901,660)	(26,901,660) (239,650,090) (217,510,430)	(217,510,430)	22,139,660 Cost cutting measures resulted in this difference.
Total expenditure	(2,423,885,124) (68,732,487)(2,492,617,611)(2,573,398,847) (80,781,236)	(68,732,487)(2,492,617,611)(2,573,398,847)	(80,781,236)
Deficit before taxation	(348,713,7	84) (2,615,9	196) (351,329,7	(348,713,784) (2,615,996) (351,329,780) (308,282,393)	193) 43,047,387
Deficit for the year from continuing operations	(348,713,784)	(2,615,996)	(2,615,996) (351,329,780) (308,282,393)	(308,282,393)	43,047,387
Capital Expenditure	(94,803,949)	(4,147,227)	(4,147,227) (98,951,176) (87,181,603)	(87,181,603)	11,769,573 There were insufficient funds for capital expenditure due to Treasury withholding money
					earmarked for infrastructure projects
Actual Amount on Comparable Basis as Presented in the Budget (443,517,733) and Actual Comparative Statement	(443,517,733)	(6,763,223)	(6,763,223) (450,280,956) (395,463,996)	(395,463,996)	54,816,960

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

1.1 Presentation currency

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

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant policy.

1.4 Nature Reserve - Wild Stock

The entity recognises nature reserve - wild stock when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Nature Reserve - Wild Stock are measured at their fair value less costs to sell.

The fair value of the wild stock is determined based on auction prices.

A gain or loss arising on initial recognition of nature reserve - wild stock at fair value less costs to sell and from a change in fair value less costs to sell of a nature reserve - wild stock is included in surplus or deficit for the period in which it arises.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.5 Investment property

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

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

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality and the cost or fair value of the investment property can be measured reliably.

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

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

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

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

 Item
 Useful life

 Property - land
 Indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

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

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

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

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

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

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

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

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

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

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

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

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

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

Item	Average useful life
Buildings	7 to 30 years
Furniture and fixtures	7 to 30 years
Infrastructure	
 Roads and paving 	10 to 30 years
 Electricity 	20 to 30 years
 Wastewater network 	15 to 20 years
Other vehicles	3 to 20 years
Other equipment	5 to 10 years
Specialised plant and machinery	5 to 15 years
Other property, plant and equipment	3 to 15 years

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.6 Property, plant and equipment (continued)

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or
 exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of
 whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- · the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- · it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the
 asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Intangible assets are derecognised:

- on disposal; or
- · when no future economic benefits or service potential are expected from its use or disposal.

1.8 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Heritage assets are shown at cost and are not depreciated owing to uncertainty regarding to their estimated useful lives.

320

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.8 Heritage assets (continued)

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.8 Heritage assets (continued)

Derecognition

The municipality derecognises heritage assets on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.9 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit designated.
- Held-to-maturity investment.
- Loans and receivables.
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit exclude dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.9 Financial instruments (continued)

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

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

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

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

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

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is unelectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Payables from exchange transactions

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

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.9 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

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

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Gains and losses

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

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- a gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement
 of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss
 previously recognised in net assets is recognised in surplus or deficit; and
- for financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.9 Financial instruments (continued)

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them
 in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

1.10 Leases

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

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

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. The lease assets are depreciated at appropriate rates as per the relevant policy.

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

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

Income for leases is disclosed under revenue in restated deficit as per statement of changes in net assets.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the expense to the municipality.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of cash-generating assets

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Other post retirement obligations

The entity provides post-retirement health care benefit to retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.15 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.15 Provisions and contingencies (continued)

Leave and bonus accruals:

liabilities for annual leave and bonus are recognised as they accrue to employees. The liability is based on the
total accrued leave days at year end for the leave accrual and the bonus accrual based on the initial inception of
the service month.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is:

(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or (b) a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- · defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact
 on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity therefore salary
 commitments relating to employment contracts or social security benefit commitments are excluded.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Sale of goods

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

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- · the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

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

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- · there has been compliance with the relevant legal requirements.

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

Fines

Revenue from the issuing of fines is recognised when:

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

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Levies are recognised as revenue when:

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

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- · the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- · the amount of the revenue can be measured reliably, and
- · to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed program may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- · the amount of the revenue can be measured reliably; and
- . to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.20 Investment income

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

1.21 Borrowing costs

1.22 Comparative figures

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

1.23 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the MFMA and includes:

- overspending of the total amount appropriated in the approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
 expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- · a grant by the municipality otherwise than in accordance with the act.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.24 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the restated deficit as per statement of changes in net assets in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the restated deficit as per statement of changes in net assets.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Restated deficit as per Statement of changes in Net Assets and where recovered, it is subsequently accounted for as revenue in the Restated deficit as per Statement of changes in Net Assets.

1.26 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.27 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the restated deficit as per statement of changes in net assets when the gratuity is paid.

1.28 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the restated deficit as per statement of changes in net assets.

Investments in derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are recognised directly in accumulated surpluses/(deficits). Amounts deferred in net assets are recognised in the restated deficit as per statement of changes in net assets in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/(deficit).

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the restated deficit as per statement of changes in net assets as they arise.

1.29 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.30 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.30 Segmental information (continued)

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.31 Related parties

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

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.33 Retirement benefits

Councillors and employees as well as Council contribute to the following pension and provident funds, which provide retirement benefits to such Councillors and employees:

- Municipal Employees Gratuity Fund.
- Pension Fund for Municipal Councillors.
- National Fund for Municipal Workers.
- SALA Pension Fund.
- SAMWU Provident Fund.
- Municipal Employees Pension Fund.

Council does not operate or are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

1.34 Going concern

These annual financial statements have been prepared on a going concern basis.

1.35 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

Annual Financial Statements for the year ended June 30, 2016

Accounting Policies

1.36 New Standards and Interpretations

Application of all of the GRAP standards listed below will be effective from a date to be announced by the Minister of Finance.

Management has considered all of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

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

- GRAP 18 Segment Reporting. GRAP 20 Related Party Disclosures. GRAP 25 Employee Benefits.
- GRAP 105 Transfers between entities under common control.
- GRAP 106 Transfers between entities not under common control.
- GRAP 107 Mergers.
- Improvements to Standards of GRAP.

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand						2016	2015
2. Investment property							
		2016				2015	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carryi	ng value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	89,761,377	-	89,	761,377	46,279,402	-	46,279,402
Reconciliation of investment p	property - 2016						
		Opening		Disposals	Transfers	s Total	
Investment property		46,279,		(1,176,717	7) 44,658,6	89,761,	377
Reconciliation of investment p	property - 2015						
Investment property				Opening balance 46,734,506	Transfers (455,1	PROFESSION - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 - 1000 -	402

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

Restrictions on the reliability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- · an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and
- · on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

Notes to the Annual Financial Statements

Figures in Rand

Property, plant and equipment

		2016			2015	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Carrying value Cost / Valuation Accumulated Carrying value depreciation and accumulated impairment	Accumulated depreciation and accumulated impairment	Carrying value
Land	97,932,274		97,932,274	102,121,815	٠	102,121,815
Buildings	434,428,100	(139,366,481)	295,061,619	434,428,100	(115,871,271)	318,556,829
Infrastructure	10,345,967,738	(5,824,536,504)	4,521,431,234	10,270,053,843	5,460,925,544)	4,809,128,299
Community	959,940,098	(368,082,286)	591,857,812	956,297,060	(311,737,834)	644,559,226
Other property, plant and equipment	147,811,337	(87,298,229)	60,513,108	139,569,041	(73,871,850)	65,697,191
Total	11,986,079,547	1,986,079,547 (6,419,283,500) 5,566,796,047 11,902,469,859 (5,962,406,499) 5,940,063,360	5,566,796,047	11,902,469,859	(5,962,406,499)	5,940,063,360

Reconciliation of property, plant and equipment - 2016

	274	318	234	312	108		346
lotal	97,932,274	295,061,618	1,521,431,	- 591,857,812	60,513,108		(17.247) 5,566.796.046
Impairment loss	•		(17,247)4	1	٠		(17.247)
ransiers Kevaluations Other changes, Depreciation Impairment movements loss	•	(23,495,211)	(378,987,721)	(56,344,452)	(14,098,970)		- (472,926,354)
Other changes, movements	•	•	1	•	•		
Kevaluations	•	•	•	•	ï		•
ransters	1,540,512	1	1	•	Ē		1,540,512
Disposals	(5,730,053)	1	(8,523,990)	•	(553,534)		(14,807,577)
Additions		•	99,831,893	3,643,038	9,468,421		5,940,063,360 112,943,352 (14,807,577) 1,540,512
Opening	102,121,815	318,556,829	4,809,128,299	644,559,226	65,697,191		5,940,063,360
ï	and	Suildings	nfrastructure	Community	Other property, plant and	duibment	

Notes to the Annual Financial Statements

Figures in Rand

Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Transfers	Revaluations	Revaluations Other changes, Depreciation movements	Depreciation	Total
Land Buildings	342 114 957	20 160		(2,126,539)	1	•	- (880 783 60)	102,121,815
Infrastructure	5,099,604,579	85,306,176	(32,097,413)	' '		(867,217)	(342,817,826) 4,809,128,299	,809,128,299
Community	686,671,333	14,271,955	•	,	1	1	(56,384,062)	644,559,226
Other property, plant and equipment	80,232,354	1,520,977	(1,933,524)	1	1		(14,122,616)	65,697,191
	6,312,871,577	101,128,268	(34,030,937)	(2,126,539)		(867,217)	(436,911,792) 5,9	,940,063,360

Reconciliation of Work-in-Progress 2016

Opening balance Additions/capital expenditure Transferred to completed items

48,174,658 66,099,921 (14,709,499)

48,174,658 66,099,921 (14,709,499)

Included within Infrastructure 99,565,080

99,565,080

Reconciliation of Work-in-Progress 2015

Opening balance Additions/capital expenditure Transferred to completed items

48,174,658	48,174,658
(95,047,592)	(95,047,592)
39,319,832	39,319,832
103,902,418	103,902,418
	Infrastructure
lotal	Included within

Figures in Rand					2016	2015
4. Intangible assets						
-		2016			2015	
-	Cost / Valuation	Accumulated amortisation and accumulated	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated	Carrying value
		impairment			impairment	
Computer software, other	4,578,555	-	4,578,555	763,104	-	763,104
Reconciliation of intangible asse	ets - 2016					
			Opening balance	Additions	s Total	
Computer software, other			763,104	3,815,4	151 4,578,	555
Reconciliation of intangible asse	ets - 2015					
				Opening balance		
Computer software, other				763,1	04 763,	104
5. Heritage assets						
(-		2016			2015	
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	10,824,777	:=	10,824,777	10,818,477	:-	10,818,477

Figures in Rand

City of MatlosanaAnnual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

The Nedcor investment is encumbered by a pledge of R3 700 000.

Sanlam: Capital guaranteed fund - 040710409X0 Sanlam: Capital guaranteed fund - 040644725x0

Opening balance	Additions	Tota	il
10,818,477	6,300	10,824	4,777
	Opening	Tota	ıl
	10,818,477	10,818	8,477
cost to fair	27,69	92,322	25,796,96
	27,69	92,322	25,796,96
			18,492,79
1	balance 10,818,477	balance 10,818,477 6,300 Opening balance 10,818,477 nes/graves, 6 Monuments, 1 rail anot be determined reliably due alue. 27,69 cost to fair	balance 10,818,477 6,300 10,824 Opening Total balance 10,818,477 10,818 nes/graves, 6 Monuments, 1 railway line into the determined reliably due to the unalue.

Other receivables

Loan to Klerksdorp Rolbalklub		
Short term portion of loan	24,987	24,019
Fire Arms	10,121	-
Long term portion of loan	137,519	162,548
	176,704	186,567

An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies.

Remuneration overpaid to councillors		

3,003,809

490,096

7,327,152

27,692,322

458,073

6,846,094

25,796,965

2016

2015

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

Other receivables (continued)

The councillors received remuneration that was above the upper limits as determined by the Minister of Finance hence in order for the requirements of section 7(1) of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998) to be complied with, this overpayments have to be repaid by the councillors. This amount constitutes Irregular expenditure deemed recoverable.

8.	Inven	tori	PS

Consumable stores Water Museum stores - at authorised value Unsold properties held for resale at council resolution or municipal valuation	32,723,970 2,076,531 298,439 181,375 35,280,315	42,213,465 1,862,238 164,440 29,363,997 73,604,140
9. Receivables from exchange transactions		
Deposits Receivables Market Housing and housing rentals	727,153 21,073,847 3,394,893 1,346,045 26,541,938	727,153 18,617,837 1,939,506 1,445,006 22,729,502
10. VAT receivable		
VAT	13,450,693	27,027,163
11. Consumer debtors		
Gross balances Rates Electricity Water Sewerage Refuse Interest on overdue accounts Other	137,197,404 289,396,636 716,997,630 153,663,046 218,538,899 515,274,329 262,340,243 2,293,408,187	107,614,685 277,164,310 580,608,402 129,427,089 169,358,771 421,941,100 228,417,892 1,914,532,249
Less: Allowance for impairment Rates Electricity Water Sewerage Refuse Interest on overdue accounts Other	(127,559,388) (268,211,201) (666,318,521) (142,716,605) (203,221,807) (478,773,634) (244,999,160) (2,131,800,316)	(259,985,753) (544,622,475) (121,405,239) (158,861,968) (395,789,323) (214,260,623)

Figures in Rand	2016 2015
11. Consumer debtors (continued)	
Net balance	
Rates	9,638,015 6,669,92
Electricity	21,185,436 17,178,55
Water	50,679,109 35,985,92
Sewerage Refuse	10,946,441 8,021,85 15,317,091 10,496,80
Interest on overdue accounts	36,500,695 26,151,77
Other	17,341,083 14,157,27
	161,607,870 118,662,11
	\(\frac{1}{2}\)
Rates	17 471 470 17 465 96
Current (0 -30 days) 31 - 60 days	17,471,479 17,465,86 5,246,287 4,824,82
61 - 90 days	3,712,169 4,556,88
91+ days	110,767,468 80,767,11
Provision for bad debts	(127,559,388) (100,944,76
	9,638,015 6,669,92
Electricity	
Current (0 -30 days)	41,706,419 36,472,60
31 - 60 days	8,876,631 9,930,78
61 - 90 days	5,844,205 4,728,12
91 + days	232,969,382 226,032,79
Provision for bad debts	(268,211,201) (259,985,75
	21,185,436 17,178,55
Water	
Current (0 -30 days)	37,084,191 24,292,90
31 - 60 days	31,252,552 15,809,49
61 - 90 days	19,193,698 13,609,42
91 + days	629,467,189 526,896,58
Provision for bad debts	(666,318,521) (544,622,47
	50,679,109 35,985,92
Sewerage	
Current (0 -30 days)	7,436,391 5,408,24
31 - 60 days	3,933,176 2,573,00
61 - 90 days	3,360,477 2,232,75
91 + days	138,933,002 119,213,09
Provision for bad debts	(142,716,605) (121,405,239
	10,946,441 8,021,850
Refuse	
Current (0 -30 days)	10,207,809 7,091,294
31 - 60 days	6,615,339 4,524,763
61 - 90 days	5,739,739 4,191,878
91 + days	195,976,011 153,550,836
Provision for bad debts	(203,221,807) (158,861,968
	15,317,091 10,496,803

The municipality had the following bank accounts

Figures in Rand	2016	2015
11. Consumer debtors (continued)		
Interest on overdue accounts		
Current (0 -30 days)	15,297,699	10,328,103
31 - 60 days	12,483,689	10,061,736
61 - 90 days	11,953,885	9,285,748
91 + days	475,539,056	392,265,513
Provisions for bad debts	(478,773,634)	(395,789,323)
	36,500,695	26,151,777
Other		
Current (0 -30 days)	14,852,396	11,395,099
31 - 60 days	8,119,344	5,191,063
61 - 90 days	5,530,653	3,907,507
91 + days	233,837,850	207,924,223
Provision for bad debts	(244,999,160)	(214,260,622)
	17,341,083	14,157,270
Reconciliation of allowance for impairment		
Balance at beginning of the year	(1,795,870,141)(1.504.951.425)
Contributions to allowance		(293,028,811)
Debt written off against allowance	138,633,957	2,110,095
	(2,131,800,315)(1,795,870,141)
The carrying value of consumer debtors approximate fair value.		
12. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	68.500	68,500
Short-term deposits and Bank balances	25,500,409	30,431,519
	25,568,909	30,500,019

ABSA Bank - cheque account - 4060008684 ABSA Bank - cheque account - 01000100176 ABSA Bank - cheque account - 950164379 (Council water) ABSA Bank - cheque account - 950000090 (Market) ABSA Bank - 407826177 - Call Account	Bank	s statement bala 30 June 2015 144,183 4,805,676 982,081 814,093	June 30, 2014 83,216 12,740,886 3,543,222	Ca June 30, 2016 234,245 11,389,618 (463,145)	118,628 (2,739,891)	June 30, 2014 72,005
June 30, ABSA Bank - cheque account - 4060008684 ABSA Bank - cheque account - 01000100176 ABSA Bank - cheque account - 950164379 (Council water) ABSA Bank - cheque account - 950000090 (Market) ABSA Bank - 407826177 - Call Account	2016 1,037 3,440 4,406 6,883	30 June 2015 144,183 4,805,676 982,081	June 30, 2014 83,216 12,740,886 3,543,222	June 30, 2016 234,245 11,389,618	30 June 2015 118,628 (2,739,891)	June 30, 2014 72,005
ABSA Bank - cheque account - 4060008684 ABSA Bank - cheque account - 01000100176 ABSA Bank - cheque account - 950164379 (Council water) ABSA Bank - cheque account - 950000090 (Market) ABSA Bank - 407826177 - Call Account	1,037 3,440 4,406 6,883	144,183 4,805,676 982,081	83,216 12,740,886 3,543,222	June 30, 2016 234,245 11,389,618	30 June 2015 118,628 (2,739,891)	June 30, 2014 72,005
4060008684 ABSA Bank - cheque account - 16,60 01000100176 ABSA Bank - cheque account - 15 950164379 (Council water) ABSA Bank - cheque account - 92 95000090 (Market) ABSA Bank - 407826177 - Call Account	3,440 4,406 6,883	4,805,676 982,081	12,740,886 3,543,222	11,389,618	(2,739,891)	
01000100176 ABSA Bank - cheque account - 15 950164379 (Council water) ABSA Bank - cheque account - 92 95000090 (Market) ABSA Bank - 407826177 - Call Account	4,406 6,883	982,081	3,543,222			22,196,106
950164379 (Council water) ABSA Bank - cheque account - 92 950000090 (Market) ABSA Bank - 407826177 - Call Account	6,883			(463, 145)	380 255	
ABSA Bank - cheque account - 92 950000090 (Market) ABSA Bank - 407826177 - Call 16 Account		814,093			000,200	3,177,193
ABSA Bank - 407826177 - Call 16 Account	5,330		780,414	92,062	92,062	92,062
		272,862	17,958,487	165,330	272,862	17,958,487
ABSA Bank - 4081494687 - Call 1 /4	9,359	202,314	191,725	1,749,359	202,314	191,725
52. T. C.	3,442	128,206		643,442	128,206	191,725
ABSA Bank - 4073033854 - Call 42	4,509	31,052,506	56,490	424,509	31,052,506	56,490
Account ABSA Bank - 9056825047 - Call Account	3,788	43,254	43,247	43,788	43,254	43,247
	9,646	167,989	167,083	169,646	167,989	167,083
ABSA Bank - 9090072264 - Call 5,58	2,731	402,399	387,840	5,582,731	402,399	387,840
	8,153	65,397	5,010,657	5,218,153	65,397	5,010,657
Call Account FNB - 71037411669 - Collateral 3	6,975	34,778	32,841	36,975	34,778	32,841
	4,000	14,000	14,000	14,000	14,000	14,000
	1,379	48,438	45,802	51,379	48,438	45,802
	8,713	148,713	143,624	148,317	148,317	143,624
Total 32,25	3,791	39,326,889	41,199,534	25,500,409	30,431,514	49,589,162
13. Other financial liabilities						
At amortised cost Shiva Uranium The loan is interest free and repayable by s R0.50 per kilolitre discount to the regular p				at	32,409,664	32,409,664
Annuity loans		p-100010 11-101 p			83,420,091	96,529,632
					115,829,755	128,939,296
Total other financial liabilities					115,829,755	128,939,296
Non-current liabilities At amortised cost					102,720,212	115,829,754
Current liabilities						
At amortised cost					13,109,542	13,109,542

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
14. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
National Electricity Regulator	1,938,428	414,998
FMG	1,070	-
DWAF	276,464	276,464
MSIG	130,526	135,736
EPWP	1,512,217	2,973,198
Fire Grant	255,183	52,606
Library grant	1,632,755	1,240,587
NDPG Grant	(132,329)	3,971,670
Dr Kenneth Kaunda District Municipality	213,176	213,176
Disaster Assessment Management Grant	200,000	200,000
District Grant	4,581,284	4,581,284
Museum Grant	7,352	7,350
	10,616,126	14,067,069

See note 21 for reconciliation of grants from National or Provincial Government.

Notes to the Annual Financial Statements

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2	s in Rand
	Figures in

15. Provisions

Reconciliation of provisions - 2016

Total 11,114,665 203,018,828 52,050,296	266,183,789	Total	16,031,129	213,229,839	1	50,676,370	279,937,338
Reduction due to re- measurement or settlement -	(10,211,011)	Reversed during the year	•	1	(820,605)		(820,605)
Change in Redudiscount factor mea (4,916,464)	(4,916,464)	Reduction due to Reversed re- during the ye measurement or settlement without cost to entity		,	1	Ē	•
Additions disc	1,373,926	Additions	1,676,745	17,631,353	•	4,453,932	23,762,030
Opening Balance A 16,031,129 213,229,839 50,676,370	279,937,338	Opening Balance	14,354,384	195,598,486	820,605	46,222,438	256,995,913

Reconciliation of provisions - 2015

Continuous medical aid contribution Long service awards

Environmental rehabilitation

Environmental rehabilitation provision

Non-current liabilities Current liabilities

267,491,759 12,445,579 279,937,338

253,637,219 12,546,570 266,183,789

Continuous medical aid contribution Performance bonuses Long service awards

Environmental rehabilitation

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

15. Provisions (continued)

In terms of the licensing of the landfill refuse sites, the municipality will incur rehabilitation costs to restore the site at the end of its useful life. Provision has been made for the net present value of this cost.

Employee benefit cost provision

Expected Employer Benefit Payments	(8,712,572) 243.903.052	(8,035,380) 222,488,189	(8,024,280)	(8,047,908)
Actuarial (Gain)/Loss	20,432,073	10,059,009	(29.340.416)	585.710
Plus Interest / Finance Cost	20,452,673	18,659,009	18,666,921	17,012,017
Plus Service Cost	9,674,762	8.845.732	8,486,764	8.081.534
Opening defined benefit obligation	222,488,189	203,018,828	213,229,839	195,598,486
	Year ending 30/06/2018	Year ending 30/06/2017	2016	2015

General description of the type of plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are as follows:

Discount rate: 9.37% (2015:8.92%)

Health care cost inflation rate: 8.43% (2015 : 8.05%)

Net effective discount rate: 0.87% (2015: 0.81%)

Maximum Subsidy inflation rate: 5.95%

Net discount rate for capped subsidies: 3.23%

Take-up by retired employees: 100% (2015: 100%)

Retirement age: 65 (2015: 65)

Proportion assumed married at retirement: 45% (2015: 45%)

Proportion of eligible current non-member employees joining the scheme by retirement 25% (2015:

Pre retirement mortality: SA85-90 Light (2015: SA85-90 Light)

Post retirement mortality: PA[90] (2015: PA[90])

Sensitivity Analysis

The table below indicates, for example, that if medical inflation is 1% greater than the long-term assumption made, the liability will be 8% higher than that shown.

(R millions)

Assumption	Change	In-service	Contunuation	Total	% Change
Central Assumptions		108.993	94.026	203.019	
Health care inflation	+1%	122.340 93.591	96.287 90.860	218.627 184.452	8% -9%
Discount Rate	+1%	89.496 134.269	86.664 102.582	176.161 236.851	-13% 17%
Post-retirement mortality	-1 yr	113.043	97.565	210.607	4%
Average retirement age	-1 yr	119.880	94.026	213.906	5%
Continuation of membership at retirement	-10%	94.026	94.026	188.293	-7%

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

15. Provisions (continued)

Sensitivity Analysis Continued

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2016.

(R millions)

Assumption	Change	Current - service Cost	Interest Cost	Total	% change
Central Assumptions		8,486,800	18,666,900	27,153,700	
Health care inflation	+1% -1%	10,560,700 6,764,700	21,120,200 16,336,900	31,680,900 23,101,600	17% -15%
Discount rate	+1% -1%	6,831,500 10,679,400	17,901,900 19,461,000	24,733,400 30,140,400	-9% 11%
Post-retirement mortality	-1yr	8,833,100	19,448,300	28,281,400	4%
Average retirement age	-1yr	9,161,200	19,604,900	28,766,100	6%
Continuation of membership at retirement	-10%	7,318,400	17,353,500	24,671,900	-9%

History of Liabiilities, Assets and Experience Adjustments

The table below summarises the accrued liabilities and the plan assets for the current period and the previous four periods

History of liabilities and assets (R millions)

Liability History	30/06/2012	30/06/2013	30/06/2014	30/06/2015	30/06/2016
Accrued liability	226,367	235,206	195,598	213,230	203,019
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Surplus / (Deficit)	(226,367)	(235,206)	(195,598)	(213,230)	(203,019)

The table below summarises the experience adjustments for the current period and the previous four periods, Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	Year ending 30/06/2012	Year ending 30/06/2013	Year ending 30/06/2014	Year ending 30/06/2015	Year ending 30/06/2016
Accrued liability	(20,784)	(1,893)	(75,058)	3,984	(8,305)
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00

Provision for Long Service Awards	Year ending 30/06/2018	Year ending 30/06/2017	2016	2015
Balance at beginning of year	56,547,873	52,050,287	50,676,361	46,222,438
Current-service cost	5,121,449	4,715,259	4,519,344	4,020,405
Interest cost	4,667,842	4,293,517	3,955,254	3,554,095
Benefits Paid/ Expected benefits	(4,822,074)	(4,511,190)	(4,421,299)	(4,665,135)
Actuarial Loss / (Gain)	-	-	(2,679,373)	1,544,558
	61,515,090	56,547,873	52,050,287	50,676,361

<u>General description of the type of plan</u>
The Municipality operates an unfunded defined benefit plan for all its employees whereby the Municipality offers employees Long Service Awards for every five years of service completed, from ten years of service to 45 years of service. Under the plan, a Long-service Award is payable after 10 years of continuous service,

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

15. Provisions (continued)

Principal assumptions used as at the balance sheet date

Discount Rate: 8.15% (2015: 8.09%)

Cost Inflation Rate: 7.26% (2015: 7.15%)

Net Effective Discount Rate: 1.26% (2015:0.93%)

Expected Retirement Age: 65 (2015:65)

Mortality during employment: SA85-90 Light (2015 : SA85-90 Light)

Sensitivity Analysis

The table below summarises the results of the sensitivity analysis.

Sensitivity Analysis on the Unfunded Accrued Liability (in R Millions)

Assumptions	Change	Liability	% change
Central assumptions		52,050	
General salary inflation	+1%	55,910	7%
	-1%	48,586	-7%
Discount Rate	+1%	48,586	-7%
	-1%	48,439	8%
Average retirement age	-2 yrs	47,172	-9%
	_2yrs	56,821	9%
Withdrawal rates	-50	58,529	12%

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2016.

Assumption	Change	Current - service Cost	Interest Cost	Total	% change
Central Assumptions		4,519,300	3,955,300	8,474,600	
General salary inflation	+1%	4,944,800	4,269,900	9,214,700	9%
	-1%	4,143,200	3,673,500	7,816,700	-8%
Discount rate	+1%	4,167,500	4,109,800	8,277,300	-2%
	-1%	4,923,500	3,764,400	8,687,900	3%
Average retirement age	-2yrs	4,136,700	3,562,100	7,698,800	-9%
	+2yrs	4,880,700	4,339,400	9220,100	9%
Withdrawal rates	-10%	5,467,500	4,496,700	9,964,200	18%

<u>History of Liabilities, Assets and Experience Adjustments</u>

The table below summarises the accrued liabilities and the plan assets for the current period and the previous two periods.

Liability History	30/06/2014	30/06/2015	30/06/2015
Accrued Liability	46,222,438	50,676,361	52,050,287
Fair value of plan assets	0	0	0
Surplus / (Deficit)	(46.222.438)	(50.676.361)	(52.050.287)

Figures in Rand	2016	2015
16. Payables from exchange transactions		
Trade payables	397,282,277	382,792,863
Payments received in advanced	32,169,565	
Accrued leave pay	69,940,230	
Long Service Leave	5,055,482	
Sundry creditors	40,258,874	
Housing : Absa bank account Other Creditors	148,317 2,070	
Other Creditors	544,856,815	
		001,201,022
17. Consumer deposits		
Electricity and water	29,309,017	22,947,417
18. Revenue		
Rendering of services	3,701	38
Service charges		1,061,158,920
Rental of facilities and equipment	4,579,207	
Licences and permits	6,614,545	
Miscellaneous other revenue Property rates	4,197 272,706,788	
Government grants & subsidies	446,706,348	
Levies	1,410,620	
Fines, Penalties and Forfeits	13,573,269	
Market Dues	16,078,744	14,928,306
	2,070,943,244	1,757,826,852
The amount included in revenue arising from exchanges of goods or services		
are as follows:		
Service charges Rendering of services		1,061,158,920
Rental of facilities and equipment	3,701 4,579,207	5,232,869
Licences and permits	6,614,545	
Miscellaneous other revenue	4,197	
Commissions received	10,370,251	9,885,896
Recoveries	2,113,123	2,013,743
	1,332,950,849	1,085,202,146
The amount included in revenue arising from non-exchange transactions is as		
follows:		
Taxation revenue Property rates	272 706 700	247 207 004
Transfer revenue	272,706,788	247,297,084
Government grants & subsidies	446,706,348	415,405,000
Levies	1,410,620	1,507,176
Fines, Penalties and Forfeits	13,573,269	5,386,779
Market Dues	16,078,744	14,928,306
	750,475,769	684,524,345
		and the state of t

Figures in Rand	2016	2015
19. Property rates		
Rates received		
Residential		8,312,605
State		30,016,980
Indigent Sundry debtors		8,929,443
Sundry debitors	38,055	38,055
	272,706,788 24	17,297,083
Valuations		
Residential	15,535,909,231 15,53	5,909,231
State		34,669,050
Municipal		25,832,325
Agricultural Business	2,057,631,936 2,05 4,701,022,117 4,70	
Dusiliess	23,855,064,659 23,85	
	25,855,064,855 25,85	15,064,653
Sale of electricity Sale of water Sewerage and sanitation charges Refuse removal	433,534,751 30 91,495,501 6	94,194,394 99,364,140 88,004,886 99,595,500
Troidse Terrioval	1,309,265,826 1,06	
21. Government grants and subsidies		
Operating grants		
Equitable share		9,136,000
MIG		7,692,705
FMG	1,673,930	1,600,834
MSIG Library Crant	935,210	798,886
Library Grant NDPG Grant	607,834	225,531 5,028,330
Museum Grant	99,998	92,650
		4,574,936
Capital grants EPWP	3,388,981	830,064
tal 111	3,388,981	830,064
	446,706,348 41	5,405,000

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

21. Government grants and subsidies (continued)

Equitable Share

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

All registered indigents receive a monthly subsidy of R454 (2015: R390), which is funded from the grant.

MIG

Balance unspent at beginning of year	-	7,577,395
Current-year receipts	84,493,000	85,331,000
Conditions met - transferred to revenue	(67,670,074)	(56,985,395)
Roll over denied	(16,822,926)	(35,923,000)
	-	

Conditions still to be met - remain liabilities (see note 14)

The municipality was denied a rollover of R40.1million for the 2013-14 financial period. This amount was deducted from the equitable share allocation that was paid over to the municipality in the same year. Having then settled this denied rollover, the municipality was once more denied another rollover for the 2014-15 period of R35million which was due to an error in the disclosure of the MIG grant. Consequently the municipality had to fund capital projects to the value of R40million using funding that was either earned through operations or from equitable share resulting in the cash flow difficulties that have plagued the municipality for the last couple of years.

NERSA

Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	414,998 5,000,000 (3,476,570)	22,308 1,100,000 (707,310)
	1,938,428	414,998
Conditions still to be met - remain liabilities (see note 14)		
FMG		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue Roll over denied	1,675,000 (1,673,930)	629,101 1,600,000 (1,600,834) (628,267)
	1,070	
Conditions still to be met - remain liabilities (see note 14)		
DWAF		
Balance unspent at beginning of year	276,464	276,464
Conditions still to be met - remain liabilities (see note 14)		
MSIG		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue Roll over denied	135,736 930,000 (935,210)	229,622 934,000 (798,886) (229,000)
	130,526	135,736

Figures in Rand	2016	2015
21. Government grants and subsidies (continued)		
Conditions still to be met - remain liabilities (see note 14)		
EPWP		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue Roll over denied	2,973,198 3,028,000 (3,388,981) (1,100,000)	1,890,262 1,913,000 (830,064)
	1,512,217	2,973,198
Conditions still to be met - remain liabilities (see note 14)		
Fire		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	52,606 2,200,000 (1,997,423)	52,606 - -
	255,183	52,606
Conditions still to be met - remain liabilities (see note 14).		
Library		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	1,240,589 1,000,000 (607,835)	1,066,119 400,000 (225,530)
	1,632,754	1,240,589
Conditions still to be met - remain liabilities (see note 14).		
NDPG Grant		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue Rollover denied	3,971,670 26,987,000 (27,119,329) (3,971,670)	19,000,000 (15,028,330)
	(132,329)	3,971,670
Conditions still to be met - remain liabilities (see note 14).		
Provide explanations of conditions still to be met and other relevant information.		
District MEYMP		
Balance unspent at beginning of year	213,176	213,176
Conditions still to be met - remain liabilities (see note 14).		
Disaster Assessment Management Grant		
Balance unspent at beginning of year	200,000	200,000
Conditions still to be met - remain liabilities (see note 14).		

Figures in Rand	2016	2015
21. Government grants and subsidies (continued)		
District Grant		
Balance unspent at beginning of year	4,581,284	4,581,284
Conditions still to be met - remain liabilities (see note 14).		
Museum Grant		
Balance unspent at beginning of year Current-year receipts Conditions met - transferred to revenue	7,350 100,000 (99,998)	100,000 (92,650)
	7,352	7,350
Conditions still to be met - remain liabilities (see note 14).		
22. Other income		
Commissions received Royalties received Rental income - third party Discount received Recoveries Gain on movement of provisions Other miscellaneous income Donation of community hall	10,370,251 2,338,097 295,481 638,644 2,113,123 - 14,164,825 25,772,055	9,885,896 1,976,233 237,722 569,692 1,193,138 820,605 15,748,016 5,000,000
	55,692,476	35,431,302

Figures in Rand	2016	2015
23. General expenses		
23. General expenses		
Advertising	1,165,836	1,538,220
Alternative Energy	4,861,366	13,273,327
Animal costs	11,774	
Auditors remuneration	5,969,400	4,886,243
Bank charges	7,646,210	7,813,433
Chemicals	1,239,403	873,10
Clean audit project	11,886,522	5,491,819
Commission paid	10,728,637	
Community development and training	131,526	115,658
Conferences and seminars	994,110	638,857
Consumables	1,164,246	1,044,451
Discount allowed	885,620	8,960
Entertainment	64,937	95,020
Fines and penalties	-	37,400
Hire	4,566,383	2,320,635
Indigent costs	16,846,954	19,101,715
Installation cost	11,552,819	49,004,795
Insurance	11,926,213	6,246,072
Legal fees	12,649,835	9,972,594
Loss on Disposal of Assets	660,191	2,485,541
Magazines, books and periodicals	58,487	64,715
Marketing	203,977	169,109
Medical expenses	54,212	8,945
Meter readings	9,207,192	8,145,837
Motor vehicle expenses	50,308,659	33,122,391
Other miscellaneous	21,181,795	19,173,208
Pest control	68,803	87,546
Postage and courier	3,188,072	3,232,234
Printing and stationery	2,690,652	2,304,973
Promotions and sponsorships	100,000	
Protective clothing	1,490,337	985,674
Refuse	5,923,133	2,941,275
Revenue enhancement	5,525,.55	1,195,839
Stock write- offs	6,174,489	148,950
Subscriptions and membership fees	4,306,584	5,076,147
Telephone and fax	5,508,217	5,233,400
Title deed search fees	349,145	205,848
Tracing fees	88,800	20,230
Training	591,581	2,511,362
Transport and freight	35,568	26,571
Travel - local	336,103	284,833
ITavel - local		
Valuation fees	692,643	357,051

Figures in Rand	2016	2015
24. Employee related costs		
Basic	314,474,587	287,182,814
Medical aid - related costs	27,356,257	54,122,796
UIF	2,992,576	2,821,375
WCA	2,534,242	2,160,350
SDL	4,071,448	3,734,516
Leave pay provision charge	3,282,743	(2,487,209)
Travel, motor car, accommodation, subsistence and other allowances Overtime payments	8,135,936	7,166,291
Long-service awards	31,115,095 1,373,926	29,868,852 4,453,932
13th Cheques	23,537,351	22,738,064
Housing benefits and allowances	2,056,386	1,387,153
Group insurance	1,178,624	1,074,604
Pension fund	62,588,435	58,938,017
Redemption of leave	3,832,216	4,255,290
Cell Phone Allowance	601,004	576,928
Other payments	248,563	344,930
Blood Samples	35,369	75,936
	489,414,758	478,414,639
Remuneration of municipal manager		
	1,398,928	1,313,903
	1,398,928	668,918
Thabada 30 (Totally manager office Footbad) 2010/	2,797,856	1,982,821
Paramaration of Chief Finance Officer		-
		630,260
	-	46,000
	1,369,066	544,367
	1,369,066	1,220,627
Bernandian of Director Manie in 19 For insurant 10 and 10 and 10		
	1 101 242	1 067 046
Annual equivalent remuneration.	1,121,343	1,067,946
Remuneration of Director Corporate Services		
	-	334,884
	1 121 242	95,093
cell Phone Allowance other payments clood Samples cemuneration of municipal manager fotsemme ET (Municipal Manager) flabuda SG (Acting Municipal Manager since February 2015) cemuneration of Chief Finance Officer foremanore WM (Acting Chief Financial Officer until January 2015) foremanore WM (Acting Chief Financial Officer January to February 2015) foremanore WM (Acting Chief Financial Officer since February 2015) foremanore WM (Acting Chief Financial Officer since February 2015) foremanore WM (Acting Chief Financial Officer since February 2015) cemuneration of Director Municipal & Environmental Services (Vacant) foremanoration of Director Corporate Services foremanoration of Director Corporate Services foremanoration of Director from 1 July 2014 to 30 October 2014) foremanoration of Director Macro City Planning & Development foremanoration of Director Macro City Planning & Development foremanoration of Director Macro City Planning & Development foremanoration of Director Strategic Planning, Monitoring and Control (Vacant)	1,121,343	733,034
	1,121,343	1,163,011
Remuneration of Director Macro City Planning & Development		
Annual equivalent remuneration (Mabuda SG was appointed acting municipal manager from 14 January 2015)	1,121,343	1,067,946
managor nom i rodinadi ji zo io j		
Remuneration of Director Strategic Planning, Monitoring and Control (Vacant)		
Annual equivalent remuneration.	1,121,343	1,067,946
Remuneration of Director Infrastructure (Vacant)		
Annual equivalent remuneration.	1,121,343	1,067,946
Remuneration of Director Electrical and Mechanical Engineering (Vacant)		
Annual equivalent remuneration.	1,121,343	1,067,946
z z		

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
25. Remuneration of councillors		
Executive Mayor	816,329	775,297
Mayoral Committee Members	7,311,307	6,616,635
Speaker	658,915	626,090
Councillors	15,195,294	14,224,839
	23,981,845	22,242,861

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has the use of a Council owned vehicle for official duties.

The Executive Mayor has one full-time bodyguard\driver.

26. Debt impairment

ALTER AND AND PROPERTY.		
Contributions to debt impairment provision Bad debts written off	480,063,289	266,724,391 2,110,095
	480,063,289	268,834,486
27. Investment revenue		
Interest revenue	V202004 (1200004	
Bank	671,841	1,120,767
Interest charged on trade and other receivables	130,897,119	87,282,388
Interest on investments	6,911,774	2,799,250
	138,480,734	91,202,405
28. Depreciation and amortisation		
Property, plant and equipment	472,943,600	436,911,755
29. Finance costs		
Non-current borrowings	10,598,773	12,111,941
Other interest paid	23,264,026	32,254,169
	33,862,799	44,366,110
30. Auditors' remuneration		
Fees	5,969,400	4,886,243
31. Contracted services		
Security Services	22,647,945	18,379,469
Disconnecting/ Connecting Services		4,457,768
Debt Collection	9,407,373	5,847,346
Garden Services Pay points		20,000
	32,055,318	28,704,583

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
32. Bulk purchases		
Electricity Water	524,019,282 235,325,489	449,624,410 211,225,867
	759,344,771	660,850,277
Electricity (losses in units) Electricity (losses as %)	148,982,382 25%	160,757,258 27%
Water (losses in units) Water (losses) in %)	8,886,211 29%	10,828,016 36%

Electricity and water are supplied by Eskom and Midvaal Water Company.

The municipality is in the process of installing meters at all its premises to enable us to accurately measure and manage own use. A strategy has been developed to minimise distribution losses and it will be implemented over time due to budget constraints.

33. Cash generated from operations

Deficit Adjustments for:	(308,282,392)	(331,522,347)
Adjustments for: Depreciation and amortisation	472,943,600	436,911,755
Movement in valuation of wild stock	-	68.047
Debt impairment	480,063,287	268,834,486
Movements in provisions	(13,753,549)	22,941,425
Non-cash donation received	(25,772,055)	(5,000,000)
Leave provision	8,199,206	-
Stock Adjustment	5,201,080	(126,065)
Loss on sale of assets	660,190	32,374,453
Changes in working capital:		
Inventories	(15,611,691)	5,702,723
Receivables from exchange transactions	(18,779,215)	5,196,663
Consumer debtors	(508,042,269)	(335,081,880)
Other receivables	3,017,749	23,120
Payables from exchange transactions	2,405,540	34,647,614
VAT	13,576,470	(9,077,524)
Unspent conditional grants and receipts	(3,450,943)	(3,708,791)
	92,375,008	122,183,679

Figures in Rand	2016	2015
34. Commitments		
Authorised capital expenditure		
Infrastructure	17,732,719	37,723,897
This expenditure will be financed from : Government grants	17,732,719	37,723,897
This committed expenditure relates to property, plant and equipment and will be financed by	by grants from National	Treasuary.
Operating leases - as lessee (expense)		
Minimum lease payments due - within one year - in second to fifth year inclusive	13,164,680 17,552,906	6,819,540
	30,717,586	6,819,540
City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd Council obtained judgement against respondent.	650,000	1,300,000
City of Matlosana / MM Moadira Six claims were formulated in the summons relating to financial losses incurred due to misconduct by the defendant.	4,754,892	4,754,892
City of Matlosana / Reetseng Construction CC A claim by the Council for non delivery of goods paid for.		276,633
City of Matlosana / Balemi Civils A claim by the Council for non-performance of contract CE58/2/20007/B		1,600,000
City of Matlosana / Mr Masisi City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure.	1,000,000	1,901,264
City of Matlosana / Zazise Communications CC A claim by the City of Matlosana for non-payment of money owed by the defendant for advertisment.	-	500,000
City of Matlosana / Great Champs Trading Settlement for rental due and payable which defendant has not settled.	76,693	

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand 2016 2015

36. Related parties

Relationships

Councillor MK Khauoe Midvaal Water Company
Councillor LM Kortjas Midvaal Water Company
Councillor RA Matsepe Midvaal Water Company
Councillor L Robinson SENWES
Councillor A Combrinck Lomdrom Skips

Councillors are members of the board of directors of the Midvaal Water Company (a section 21 company) who supply bulk water to the City of Matlosana. Transactions with Midvaal Water Company amounted to R235 325 489 (2015:R209 119 521). Midvaal Water Company is a supplier and the transactions are at arm's length.

Concillor A Combrinck is a related party of Lomdrom Skips and the amount contracted for the year amounted to R0 (2015: R15 300).

Councillor L Robinson is employed by SENWES and the amount contracted for the year amounted to R717 120 (2015: R511.40).

Management is regarded as a related party and comprises the Councillors, Executive Mayor, Mayoral Committee members, Municipal Manager and Executive directors. Refer to note 25 and 26 for remuneration paid.

37. Prior period errors

- 1. After consultation with various stakeholders regarding the road infrastructure In the North West province it was established that in 2015 the opening balance for road infrastructure was overstated by R53 105 753. The opening balance for the following assets was also discovered to be have been misstated:
 Land and Buildings were over understated by R4 734 413, Other Property, Plant and Equipment was understated by R2
- and and Buildings were over understated by R4 734 413, Other Property, Plant and Equipment was understated by R2 302 914, Heritage Assets were understated by R4 823 423 and Investment property was understated by 523 846.
- 2. In 2015, there was an opening balance amount of R12 426 187 relating to a receivable from the sale of stands that was subsequently noted to have been no longer due as at that date, consequently the receivables from exchange transactions was overstated by this amount.
- 3. in 2015, due to suspense accounts that were not correctly adjusted, the opening balance of payables from exchange transactions was overstated by R1 095 782 and opening balance of receivables from exchange transactions was also overstated by R4 863 747.
- 4. During the preceding years to 2015, the debtor related to the sale of stands was incorrectly accounted for and consequently was understated due to incorrect accounting treatment.
- 5. In the current financial year SARS conducted a VAT audit and uncovered that VAT on certain income and expenditure items was being accounted for incorrectly in the prior years. SARS reassessed these periods implying that the income and expenditure, and VAT receivable balance was misstated. Consequently there were penalties and interest that was raised in those prior periods which also implied that the fruitless and wasteful expenditure was understated.
- 6. The retention's in 2015 were overstated due lack of a proper system of maintain the retention register.

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

37. Prior period errors (continued)

- 7. In the prior year the unspent conditional grants were overstated (The Municipal Infrastructure Grant was overstated by R35 900 000, the National Energy Regulator of South Africa Grant was overstated by R2 300 000 and the Expanded Public Works Programme Grant was overstated by R1 800 000).
- 8. The amount disclosed as receivable from councillors was overstated in 2015. The Councillors had forgone their statutory pay increases to settle the debt they had incurred due to being paid above the upper limits as determined by the Minister of Finance.
- 9. In the 2015 annual financial statements, the irregular expenditure amount disclosed was over stated by R100 947 364 due to wrong classifications, duplicated amounts and inclusion of liabilities' were monies has not yet been paid.
- 10. In 2015, there was a payment made to the Midvaal Water Company of 2,4million that was not allocated to the bulk purchases account for water and consequently the bulk purchases were understated.
- 11. In 2015 the fruitless and wasteful expenditure was understated by R3 006 905.
- 12. The Municipality did not correctly account for the overspending on the capital projects in 2015 and consequently the unspent conditional grants was understated and the revenue was overstated by R19 077 074.
- 13. Due to a change in methodology for calculating the impairment on consumer debtors (in order to aling with the requirements of GRAP 104), the impairment expense in the 2015 financial year was overstated by R29 748 927, provision for bad debts was overstated by R32 649 468 and the VAT defferred on impaired debtors was overstated by R2 900 541.

Effect of errors on the Accumulated Surplus Decrease in accumulates surplus due to error 1 Increase in accumulated surplus due to error 2 Decrease in accumulates surplus due to error 3 Increase in accumulates surplus due to error 4 Decrease in accumulates surplus due to error 5 Increase in accumulates surplus due to error 6 Increase in accumulates surplus due to error 7 Increase in accumulates surplus due to error 8 Increase I (Decrease) in Unappropriated Surplus Account	-	(40,721,156) (12,426,187) (4,454,009) 2,162,930 (7,489,001) 850,618 40,000,000 211,253 (21,865,552)
Effect of errors on Statement of financial position Decrease in Property, plant and equipment due to error 1 Increase in heritage assets due to error 1 Increase in investment property due to error 1 Decrease in receivables from Exchange Transactions due to error 2 Decrease in payables from exchange transactions due to error 3 Decrease in receivables from exchange transactions due to error 3 Increase in receivables from exchange transactions due to error 4 Decrease in VAT receivable due to error 5 Decrease in Payables from Exchange Transactions due to error 6 Decrease in Unspent conditional grants due to error 7 Decrease in the Unspent Conditional Grants due to error 12 Decrease in the other receivable due to error 8 Increase in the VAT receivable due to error 10 Decrease in Bank balance due to error 10 Increase in consumer debtors due to error 13 Decrease in VAT receivable due to error 13	-	(43,358,342) 4,823,423 523,846 (12,547,257) 1,095,782 (4,863,747) 2,732,973 (10,649,903) 850,618 40,000,000 (19,077,074) (1,573,352) 294,889 (2,401,235) 32,649,468 (2,900,541)
Effect of errors on Statement of Financial Performance Deficit as previously reported	-	(338,987,347)

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015
37. Prior period errors (continued)		
Decrease in depreciation due to error 1	-	2,710,083
Decrease in other income due to error 2	_	(121,070)
Decrease in General Expenses due to error 3	-	686,043
Increase in other income due to error 4	_	
Increase in finance cost due to error 5	_	(587,110)
Increase in Bulk Purchases due to error 5	-	(1,114,623)
Decrease in other income due to error 5	_	
Increase in councillor's remuneration due to error 8	-	(1,784,605)
Increase in bulk purchases due to error 10	-	(2,106,347)
Decrease in revenue due to error 12	-	(19,077,074)
Decrease in Impairment expense due to error 13		00 740 007
Restated deficit as per Statement of changes in Net Assets	-	(331,522,349)

38. Comparative figures

Certain comparative figures have been reclassified.

1.In the prior year there was an amount of R26 300 that was mapped to "employee cost" in the statement of financial performance, this amount was better represented general expenses that employee and hence the comparative figures have been appropriately reclassified.

The effects of the reclassification are as follows:

Statement of financial performance

Decrease in Employee Costs - (26,300) Increase in General Expenses - 26,300

39. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in notes 13, cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 10% to 35%.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2016 and 2015 respectively were as follows:

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand		2016	2015
39. Risk management (continued)			
Total borrowings Current Liabilities Non-current liabilities		610,454,666 356,637,219	596,821,529 383,321,513
Less: Cash and cash equivalents	12	967,091,885 25,568,909	980,143,042 30,500,019
Net debt Total equity		941,522,976 5,013,017,614	949,643,023 5,321,251,142
Total capital		5,954,540,590	6,270,894,165

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. During 2016 and 2015, the municipality's borrowings at variable rate were denominated in Rand.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2016	2015
Long term receivables	27,692,322	25,796,965
Consumer debtors	161,607,870	118,662,110
Other receivables	172,627	3,190,376
Cash and cash equivalents	25,568,909	30,500,019

Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand	2016	2015

39. Risk management (continued)

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in note 12

40. Going concern

We draw attention to the fact that although the municipality reported a deficit of R308 282 393 at June 30, 2016, the municipality had accumulated surplus of R5,013,017,614 and that the municipality's total assets exceed its liabilities by R5,013,017,614. However current liabilities exceeds current assets by R347 979 954.

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

We are experiencing cash flow challenges as a result of low debtors collection rate which has an impact on our ability to pay our creditors timeously. Our ability to continue as a going concern is highly dependant on improvement of collections and management of costs. As a result of the above financial indicators, some uncertainty exists regarding the Municipality to continue as a going concern.

41. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

42. Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance 1,424,534,175 1,404,482,186 Unauthorised expenditure current year 73,697,807 Unauthorised expenditure awaiting authorisation 1,498,231,982 1,424,534,175

the opening balance will be dealt with in accordance with the MFMA requirements.

The over expenditure for the 2016 financial year is mainly due interest on over due bulk purchases accounts. Regarding the 2015 unauthorised expenditure, the over expenditure against budget due to additional depreciation charge as a result of the GRAP 17 compliance exercise conducted and the impairment of consumer and sundry debtors. The total balance including

43. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance 91,222,464 54,228,686 Fruitless and wasteful expenditure current year 23,264,026 33,986,873 Prior Year Adjustment 3.006.905 Fruitless and wasteful expenditure awaiting condonement 114,486,490 91,222,464

The Municipality incurred interest as a result of late payment of the Eskom, SARS, Midvaal and Auditor General accounts. Fines and penalties were also incurred for non payment of the amounts due to the Department of Labour for workman's compensation contributions.

44. Irregular expenditure

Reconciliation of irregular expenditure

Opening balance 1,870,863,938 1,739,161,427 Add: Irregular Expenditure - current year 188.430.526 200,907,083 Deviations (Not yet presented to Council) 22,032,479 31,302,864 Prior period errors (100,507,436)Irregular expenditure awaiting condonement 2,081,326,943 1,870,863,938

In the 2015 annual financial statements, the irregular expenditure amount disclosed was over stated by R100 947 364 due to wrong classifications, duplicated amounts and inclusion of liabilities' were monies has not yet been paid.

20.051.989

Figures in Rand	2016	2015
45. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government : SALGA		
Opening balance	23,754	23,754
Current year subscription / fee	3,371,500	4,442,020
Amount paid - current year	(3,371,500)	(4,442,020)
	23,754	23,754
Audit fees		
Opening balance	4,841,740	7,637,885
Current year subscription / fee	1,427,904	5,570,317
Amount paid - current year	(4,403,077)	(8,366,462)
	1,866,567	4,841,740
PAYE, UIF and SDL		
Opening balance	4,043,452	3,933,337
Current year subscription / fee	57,783,400	51,007,384
Amount paid - current year	(57,155,669)	(50,897,269)
	4,671,183	4,043,452
Pension and Medical Aid Deductions		
Opening balance	11,107,186	10,954,934
Current year subscription / fee	129,781,113	134,668,054
Amount paid - current year	(130,548,479)	(134,515,802)
	10,339,820	11,107,186

Councillor M Coetzee

City of Matlosana Annual Financial Statements for the year ended June 30, 2016

Notes to the Annual Financial Statements

Figures in Rand		2016	2015
45. Additional disclosure in terms of Municipal Finance Mana	gement Act (continued)		
VAT			
VAT receivable		13,450,693	27,027,163
Councillors' arrear consumer accounts			
The following Councillors had arrear accounts outstanding for more (Currently arrangements with the Councillors to deduct the outstand council's credit policy)			e with the
June 30, 2016	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Coetzee Councillor MP Hlaka Councillor KL Ross	6,862 2,363 1,128	4,187	41,786 6,550 4,256
	10,353	42,239	52,592
30 June 2015	Outstanding less than 90 days	Outstanding more than 90 days	Total

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

	53,916	34,219
Councillor KL Ross	6,628	-
Councillor MP Hlaka	9,609	-
Councillor M Coetzee	37,679	34,219
	amount 2016	amount 2015
	outstanding	outstanding
June 30, 2016	Highest	Highest

3,332

30,887

34,219

Figures in Rand	2016	2015
46. Contingent liabilities		
	t =.	
S Ndabangaugue / City of matlosana Litigation between the municipality and the plaintiff against unlawful dismissal	150,000	-
HT Tshoepo / City of matlosana Litigation between the municipality and the plaintiff against unlawful dismissal	150,000	
City of Matlosana / Balemi Service provider did not deliver on services as awarded by the tender	1,600,000	-
Theron Jordaan & Smit / City of Matlosana This was an application by the claimant, a firm of attorneys, to be reinstated on the panel by council. There is also a counter action by council for files retained by the firm.	-	185,166
City of Matlosana / O Wanajo Litigation and claims between the plaintiff and the municipality	3,396,513	
City of Matlosana / Isago @N12 Development (pty) Ltd Claims to prevent development on property in Flamwood, due to unlawful dealings by the first respondent	160,000,000	-
S Pillay / City of Matlosana Shalin Pillay instituted legal action Council for damages suffered.		240,000
Badiboa / City of Matlosana The matter relates to a tender for the paving of Taxi Routes and Stormwater Drainage which tender was awarded to Badiboa and they were subsequently appointed on 17 August 2010. The contract was cancelled by the City of Matlosana on 14 January 2011 due to Badiboa failing to progress with the Construction.	2,000,000	
Solid base trading cc / City of Matlosana Me. Betty Manisa claim from Council for services rendered during 2007.	11,234,700	<u> </u>
City of Matlosana / N Moeleni Litigation and claim between the plaintiff and the municipality	100,000	<u>.</u>
City of Matlosana / S Mokake Litigation and claim between the plaintiff and the municipality	100,000	
City of Matlosana / Sizan Scrapmetals Litigation and claim between the plaintiff and the municipality	100,000	
City of Matlosana / Bakgeni Civils & Construction Arbitration award for non-monetary claim to supplier	171,108	
Roadspan Asphalt (Pty) Ltd / City of Matlosana Council is defending summons brought against the Council by the plaintiff.		174,292
QCK Lezmin 4251 CC / City of Matlosana Council is defending summons brought against the Council by the plaintiff.	1,309,124	1,309,124

Figures in Rand	2016	2015
46. Contingent liabilities (continued)		
River End Trading / City of Matlosana Council is defending summons brought against the Council by the plaintiff.		87,372
Ke A Dira Construction CC / City of Matlosana Council is defending summons brought against the Council by the plaintiff for losses alleged to have been experienced due to the revision of tender FS 1/2011.	17,391,229	2,274,703
City of Matlosana / SAMWU 060 ABS Fourie Litigation and claim between the plaintiff and the municipality	153,632	<u> </u>
City of Matlosana / Hendrick Mvundlela Litigation and claim between the plaintiff and the municipality	361,953	
City of Matlosana / SAMWU 060 M.E Khumalo Litigation and claim between the plaintiff and the municipality.	257,638	
Itumre Building Supply CC / City of Matlosana The City of Matlosana is defending the matter.	563,816	563,816
City of Matlosana / SAMWU 060 Mapaseka Diseko Litigation and claim between the plaintiff and the municipality	361,887	
MM Moadira / Executive Mayor and City of Matlosana Litigation and claims between plaintiff and the municipality	5,000,000	4,000,000
P & S Basson / City of Matlosana The claimant instituted legal action against the City of Matlosana		141,600
City of Matlosana / S.J Khabu Litigation and claim between the plaintiff and the municipality	1,212,000	
City of Matlosana / Bonang Trading Developments Litigation and claim between the plaintiff and the municipality	1,015,000	-
Panos Kannelakapoulos / City of Matlosana The claimant instituted legal action against the City of Matlosana		6,100
Munmap (Pty) Ltd Maximum Profit Recovery / City of Matlosana The claimant instituted legal action against the City of Matlosana	7,822,100	1,200,000
Custos Beskerming CC / City of Matlosana The claimant instituted legal action against the City of Matlosana	_	36,231
Paul Fick Cronje / City of Matlosana The claimant instituted legal action against the City of Matlosana		2,005
Norman Gerdus Keyser / City of Matlosana The claimant instituted legal action against the City of Matlosana	- 81	98,455
Joseph L. Moshesh / City of Matlosana The claimant instituted legal action against the City of Matlosana.		60,000

Figures in Rand	2016	2015
46. Contingent liabilities (continued) Imvula Roads and Civil / City of Matlosana The claimant instituted legal action against the City of Matlosana.		1,522,100
City of Matlosana / Incledon Division of DPI Plastics (Pty) Ltd Litigation and claims between the plaintiff and the municipality	200,000	-

City of Matlosana Appendix A

APPENDIX A CITY OF MATLOSANA SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016

EXTERNAL LOANS	Loan	Redeemable	Balance at	Received	Redeemed	Balance at
	Number		1/07/2015	during the	written off	30/06/2016
				period	during the	
					period	
			œ	~	~	~
ANNUITY LOANS						
Development Bank of SA @ 15.00%	NW10959	30-Sep-2017	2,414,304.52		862,053.24	1,552,251.28
Development Bank of SA @ 15.25%	NW11182	30-Sep-2018	3,280,737.23		771,734.15	2,509,003.08
Development Bank of SA @ 15.60%	NW13637	30-Sep-2020	2,420,049.21		304,831.95	2,115,217.26
Development Bank of SA @ 15.00%	NW13874/1	30-Sep-2019	2,222,222.20		555,555.55	1,666,666.65
Development Bank of SA @ 15.00%	NW13874/2	NW13874/2 30-Jun-2019	14,998,125.00			14,998,125.00
Development Bank of SA @ 11.20%	NW101297/1 30-Jun-2019	30-Jun-2019	12,320,688.14		2,594,979.56	9,725,708.58
Development Bank of SA @ 11.20%	NW101297/2 30-Jun-2019	30-Jun-2019	15,417,056.29		3,247,138.66	12,169,917.63
Development Bank of SA @ 14.75%	103677/1	1-Nov-2025	29,316,386.24		1,670,743.70	27,645,642.54
Development Bank of SA @ 15.00%	10556	31-Mar-2018	4,759,895.36		1,362,637.13	3,397,258.23
Development Bank of SA @ 15.25%	10906	30-Sep-2019	2,538,365.62		428,231.38	2,110,134.24
Development Bank of SA @ 15.25%	10912	30-Sep-2019	3,759,207.41		634,191.77	3,125,015.64
Development Bank of SA @ 15.25%	10913	30-Sep-2019	2,893,248.83		488101.46	2,405,147.37
Development Bank of SA @ 10.%	9746	30-Sep-2015	188,346.44		188,346.44	0.00
TOTAL EXTERNAL LOANS			96,528,632.49	0.00	0.00 13,108,544.99	83,420,087.50

