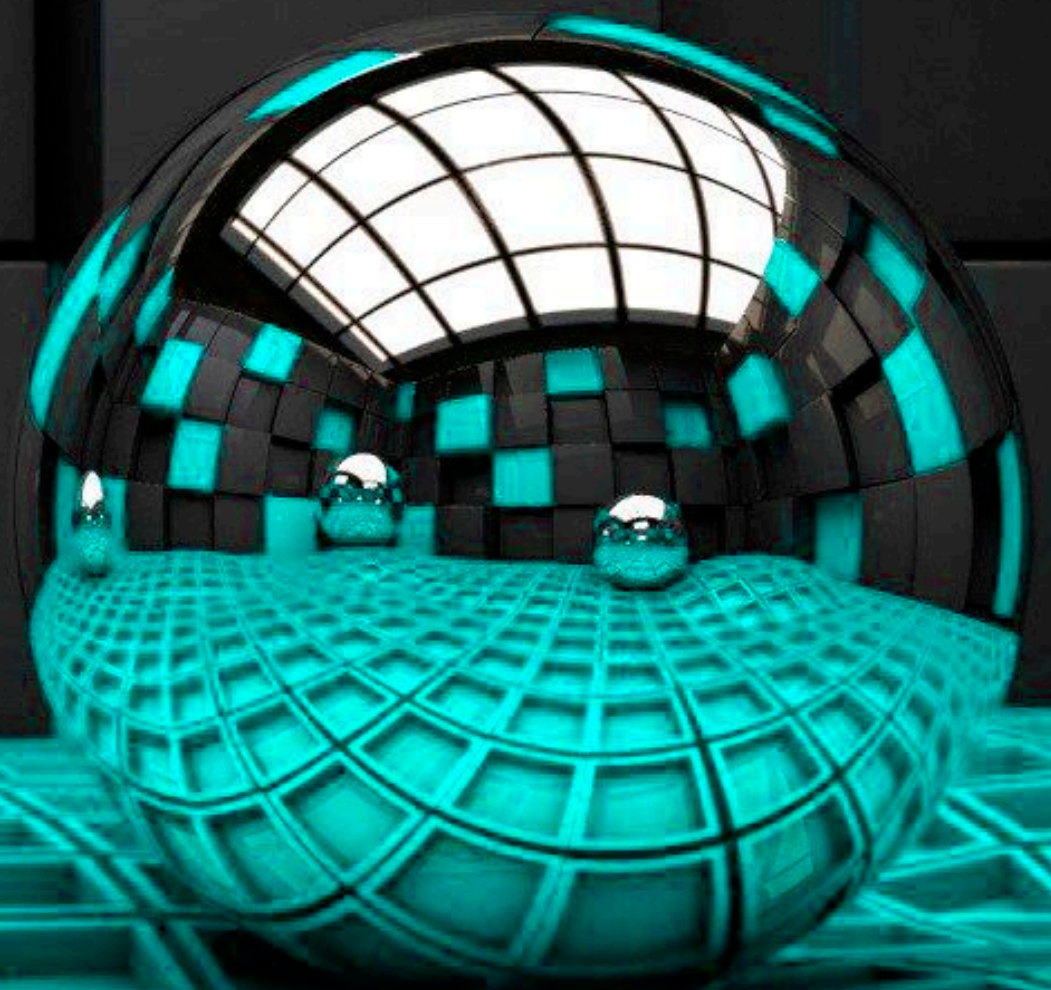


ANNUAL REPORT 2016-2017



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Chapter I

Chapter 1



COMPONENT A: MAYOR’S FOREWORD

EXECUTIVE MAYOR’S FOREWORD



This annual report of the City of Matlosana is compiled consistent with the Local Government Act (Section 83) which requires each municipality to submit an annual report for the financial year starting from 1 July 2016 to 30 June 2017.

The 2016/17 financial year will go down in the annals of the city as one of the most successful with far-reaching progress in the attainment of a better quality of life for all the residents of Matlosana, thanks to the unflinching commitment displayed by our councillors and our administration.

This annual report provides the necessary tool for appraisal in respect of the performance of our municipality in implementing the budget allocated projects as informed by our Integrated Development Plan (IDP). As part of promoting transparency, the report gives an account of both financial and non-financial information on key municipal functions. Our pursuit of clean governance and prudent financial management has once again resulted in the City of Matlosana achieving an unqualified audit opinion during the financial year under review.

The work done in the 2016/17 financial year has indeed laid the foundation for the work of the new administration which took office immediately after the local government elections of August 2016. It is premised on enhancing the fight against poverty, unemployment and inequality through the implementation of both the National Development Plan and the strategic vision of the Bokone Bophirima Provincial Government’s five concretes, i.e. Setsokotsane, Saamtrek Saamwerk, Reconciliation Healing and Renewal, Villages, Townships and Small Dorpies (VTSD) and Agriculture, Culture and Tourism (ACT).

The milestones recorded in this annual report are testimony to the collective determination of our municipal officials and politicians to place the City of Matlosana among the top performing municipalities in the country guided by our slogan – Matlosana First – Matlosana Pele.

Our Vision

A municipality that has to be amongst the leading municipalities by 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 programmes.

Chapter I

Key service delivery improvements

The report shows that the municipality has taken extraordinary measures to attend to the basic service needs of all residents in the city despite the reduced allocation by the National Treasury.

Completed MIG projects 2016/17

- ▶ Upgrading of bulk water supply (phase3) -2mℓ pressure tower in Alabama - R8 067 210
- ▶ Installing water supply from Midvaal endpoint to Jouberton and Alabama (phase 1) - R16 764 542.
- ▶ Upgrading of Lerato pump station in Kanana - R5 852 672
- ▶ Upgrading of mechanical and electrical equipment at pump station - Swart Street - R3 653 327
- ▶ Paving of taxi routes and storm-water drainage in Tigane (Phase 8) - R5 931 731
- ▶ Paving of taxi routes and storm-water drainage in Alabama (Phase 7) - R6 856 949
- ▶ Paving of taxi routes and storm-water drainage in Khuma (Phase 8) - R8 494 511
- ▶ High mast lights in Tigane (Phase 4) - R1 745 192
- ▶ High mast lights in Brakspruit CPA (Phase 1) - R578 940
- ▶ High mast lights in Alabama (Phase 2) - R3 025 140
- ▶ Upgrading of National Fresh Produce Market in Klerksdorp - R4 624 300

Partnerships

The municipality works in co-operation with Anglo Gold Ashanti and Shiva Uranium Holdings among others. This partnership has resulted in many positive achievements like the following:

- ▶ Establishment of Matlosana Enterprise Development Centre (MEDC) in Orkney funded by Anglo Gold Ashanti as part of its Social Labour Plan.
- ▶ Construction of new Botshabelo Community Health Care Centre Maternity wing in Khuma
- ▶ Construction of new swimming pool in Kanana and Tigane townships funded by Anglo Gold Ashanti SLP
- ▶ Construction of new Tigane Community Sports and Recreation Complex
- ▶ Executive Mayor's Matric Excellence Awards.

Conclusion

I would like to thank our sister municipality, the Dr Kenneth Kaunda District Municipality and the North West Provincial Government under the leadership of our Honourable Premier Ntate Supra Mahumapelo for their ongoing support to our work since we took office as the current administration. We appreciate this support which is critical in ensuring that we attain even greater success in the coming year as we seek to build a caring municipality.

I also thank my own family for their love, understanding and support in the execution of my work.

All the achievements we have made in the 2016/17 financial year would not have been possible without the support of the residents of Matlosana and for that reason we are really grateful for their contributions.



MME KGALE
EXECUTIVE MAYOR

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 meeting by the Executive Mayor after which the Municipal Manager must make the report public and invite the local community to submit representations 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, gives the purpose of the Annual Report as having:

- ▶ 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.

This report will therefore attempt to cover the broad view of the City of Matlosana municipal area with information such as the socio-economic profile of the area, the achievements relating to the delivery of services to the community as well as the developmental and institutional aspects, including financial performance. The report also covers governance and public participation engaged in 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.

Furthermore, this report will reflect on the work carried out in 2016/2017 financial year and provide feedback on performance against targets to various stakeholders, including the community, government departments and other interested parties. It further ensures that accountability is upheld, and the clients of the municipality are kept abreast of the decisions that were taken in the period under review.

All efforts were taken to ensure that the budget, Integrated Development Plan and the Service Delivery Implementation Plan of the City are aligned in spite of some challenges.

Chapter I

The provincial intervention in terms of Section 139(1)(b) of the Constitution was revoked when the new administration was ushered in. At that time, we were still experiencing challenges with our finances, such as cash flow exacerbated by low debt-collection, among others.

There was neither a substantive Accounting Officer nor a Chief Financial Officer - only two directors who were acting in more than one directorate each and alternating as acting Municipal Manager were available. It was on that basis that the new political leadership sought assistance from the provincial department of Local Government and Human Settlements to second a person, who happened to be myself, to act as Municipal Manager in terms of Section 154A of the Systems Act effective from 01 October 2016.

My immediate assignment after my arrival and having made an assessment was to put systems in place that would promote harmonious working relations between political leadership and officials of the municipality and further to instil discipline, a sense of responsibility, ownership and pride.

The position of the Chief Financial Officer was filled on 01 April 2017 followed by the Municipal Manager on 01 May 2017. The rest of the senior manager positions were under supervision of senior officials as acting directors in the respective directorates. It was a mammoth task keeping the wheel going but we managed to pull through due to the dedication and support of everybody involved.

We focused on developing a new strategy for the municipality and overhauling the top organisational structure in order to be more efficient and effective in addressing the challenges of poverty and unemployment that our communities are facing.

The fruits of our toil became manifest in the following achievements, among others: -

- ▶ Provided 100% of urban households with access to basic water services
- ▶ Provided 100% of rural households with access to basic water services
- ▶ Provided 99% of urban households with access to basic sanitation services
- ▶ Provided 70% of rural households with access to basic sanitation services
- ▶ Provided 98% of urban households with access to basic electricity services

We continue with awareness-raising among our colleagues and all employees to observe water and energy conservation, by emphasising that lights must be switched off at knock-off time; water taps and cisterns not left running as well as reporting all defects to the maintenance divisions.

Let me at this point extend a word of gratitude to all personnel of the City of Matlosana, the political leadership and the community at large for the warm welcome I received.

Thanks for the dedication, hard work and commitment of employees. The oversight by Councillors cannot be over-emphasized.

I thank you all.



TSR NKUMISE
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND 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 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 objectives 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 in meeting those needs;
- ▶ its processes aimed at involving the community;
- ▶ its 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 exercising 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.

Chapter I

ABOUT THE CITY OF MATLOSANA

The Klerksdorp area was 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 first inhabitant of Klerksdorp was Hendrik Grobler (probably a hunter) who settled next to Skoonspruit on what was later to become the farm Elandsheuwel. In 1837 a group of 12 Voortrekker families settled on the banks of the Skoonspruit at what is today known as Oudorp. They established a town and later started calling it "Clercqsdorp" (later to be changed to "Klerksdorp") after the first magistrate north of the Vaal River, Jacob De Clercq.

The first shop in Klerksdorp was opened by James A. Taylor in 1865. In 1870 he took on a partner, Tomas Leask. Tomas Leask was to become one of the big businessmen of Klerksdorp.

In 1886 gold was discovered in the Klerksdorp District by M.G. Janse van Vuuren. Due to the rapid development after the discovery of gold, State President S.P.J. Kruger issued a proclamation on 21 August 1886, according to which Klerksdorp was declared as a town as of 12 September 1888.

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



The City of Matlosana Local Municipality is part of the Dr Kenneth Kaunda District Municipality. The City of Matlosana Local Municipality (previously City Council of Klerksdorp) is situated within the Dr Kenneth Kaunda District in the North West Province. It is bordered by the Ngaka Modiri Molema District in the north, the Free State Province in the south, JB Marks in the east, and Maquassi Hills in the west. The municipality was classified as a category B1 municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government: Municipal Structures Act, 1998.

The main economic sectors are mining, agriculture, manufacturing, services, construction and transport.

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 complexes, central business development revitalisation, neighbourhood development and rural economic development.


Places worth mentioning include the following:

- ▶ Bird Sanctuary (in Orkney).
- ▶ Faan Meintjes Nature Reserve.
- ▶ Johan Naser Dam.
- ▶ Klerksdorp Museum.

Chapter I

- ▶ Goudkoppie Heritage Site.
- ▶ 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 sports and recreation sectors.

The city co-ordinates are:  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 mission and core values of the City of Matlosana are as follows:

THE MISSION

“TO RENDER EQUITABLE, SUSTAINABLE AND HIGH QUALITY BASIC SERVICES TO THE CITIZENS OF MATLOSANA”

THE **CORE VALUES** ARE EXPRESSED BY THE ACRONYM **“RAPIT”**, STRIVING TOWARDS POSITIVE “CHANGE” WHICH IS:

Values	Operating Principle(s)
RESPECT	<ul style="list-style-type: none"> ▶ Operating Principle(s) We engage with others in A humane way with politeness and care. ▶ We will listen to the communities we serve. ▶ We are focused on our stakeholders
ACCOUNTABILITY	<ul style="list-style-type: none"> ▶ We will take full responsibility for the actions we take and give citizens full value for money. ▶ We conduct our tasks in a responsible manner and continuously communicate with our beneficiaries and partners. ▶ We owe our accountability to each other, the community we serve and our stakeholders who partner with us. ▶ We are transparent in all our activities and subject ourselves to any form of scrutiny.
PROFESSIONALISM	<ul style="list-style-type: none"> ▶ We execute our roles to the highest standards according to applicable norms and standards. ▶ We execute our tasks with unselfish regard for or devotion to the benefit of communities. ▶ We ensure that our initiatives have A direct impact on communities
INTEGRITY	<ul style="list-style-type: none"> ▶ We hold our offices with ethical integrity to the benefit of those we serve. ▶ We aim to have congruence between our actions and our pronouncements.
TRANSPARENCY	<ul style="list-style-type: none"> ▶ We hold our offices with ethical integrity to the benefit of those we serve. ▶ We aim to have congruence between our actions and our pronouncements.

Chapter I

GEOGRAPHIC PROFILE

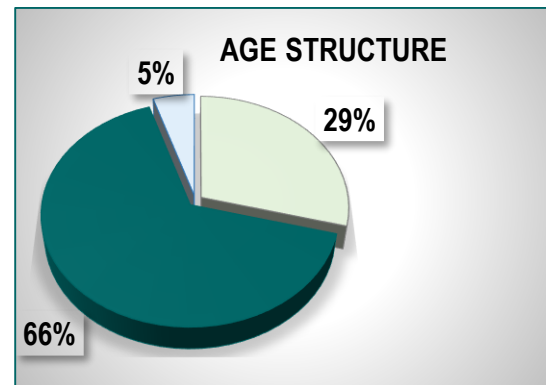
The municipal area of the City of Matlosana covers an area of 3 625km². The main economic sectors are mining, agriculture manufacturing, services, construction and transport. Klerksdorp has a semi-arid climate (*BSh/BSk*, according to the Köppen climate classification), with warm to hot summers and cool, dry winters. The average annual precipitation is 482 mm (19 in), with most rainfall occurring during the summer.

DEMOGRAPHIC PROFILE

According to estimates based on the population growth rate of SA Statistics (1.04%) and the governmental municipalities website (<https://municipalities.co.za/dempgraphics>) the City of Matlosana has a total population of 417 282 people, of whom 383 899 (92%) are urbanised and 33 383 (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 115 persons per km².

Population

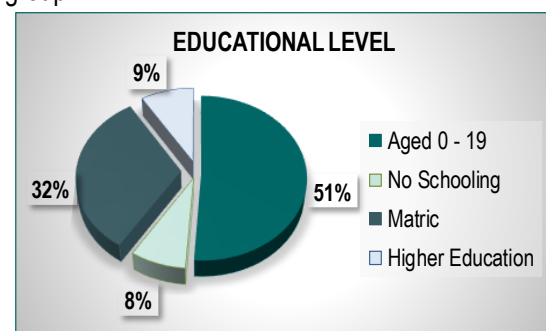
AGE STRUCTURE	NUMBER
Under 15	121 429
Between 15 to 64	275 406
Over 65	20 447
TOTAL	417 282



Educational level (aged 20+)*

* 48.9% of the population (204 051) are in the "Aged 20+" group:

EDUCATIONAL LEVEL	NUMBER
No schooling	32 965
Matric	133 948
Higher Education	37 138
TOTAL	204 051



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

Chapter I

1.3 SERVICE DELIVERY OVERVIEW

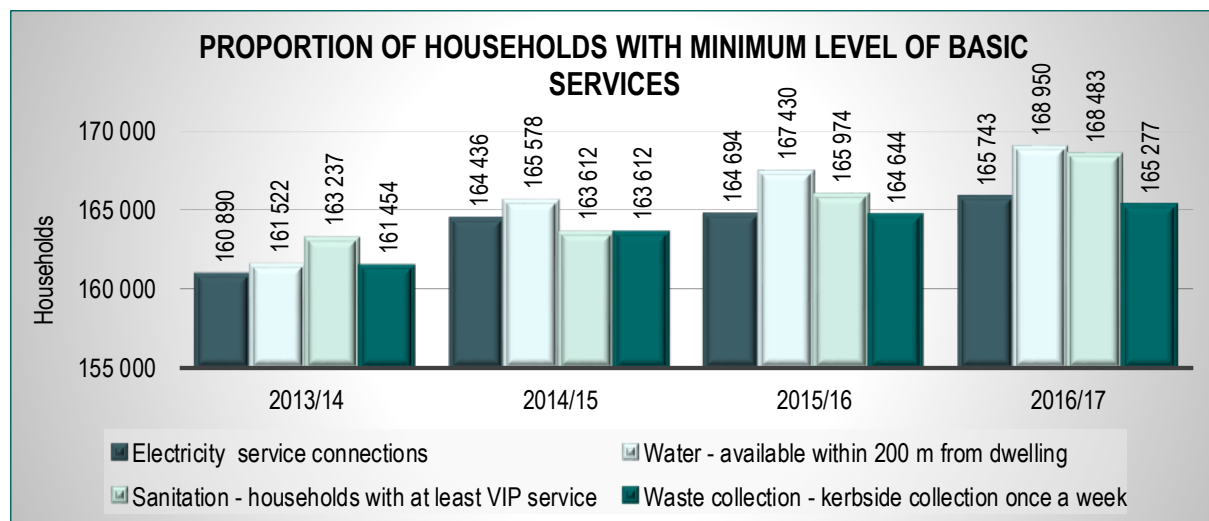
SERVICE DELIVERY INTRODUCTION

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

Township establishment was accordingly completed to provide proper proclaimed settlements. Timeous completion of the pedestrian bridge, safer storm-water drainage and road upgrades for 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 supplies during the drought period through all possible means, e.g. mobile water tanker and repairs of borehole generators. Increased basic sanitation provision was done through the in-house projects and externally funded programme (Rapid Bucket Eradication Programme) which was fast-tracked.

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2013/14	2014/15	2015/16	2016/17
Electricity service connections	160 890	164 436	164 694	165 743
Water - available within 200 m from dwelling	161 522	165 578	167 430	168 950
Sanitation - households with at least VIP service	163 237	163 612	165 974	168 483
Waste collection - kerbside collection once a week	161 454	163 612	164 644	165 277



COMMENTS ON THE ACCESS TO BASIC SERVICES

An 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 give promise to a better achievement of eradicating the backlogs sooner rather than later. Theft of cables at pump-stations and waste-water treatment plants remains a challenge, and attempts are being made by the SAPS to curb the problem.

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1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

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

Non-payment of rates and services is a national concern and the City of Matlosana is not free from the problem. The collection of outstanding debt remains a big challenge.

The payment of bulk services remains a challenge as the municipality experiences difficulty honouring its commitments.

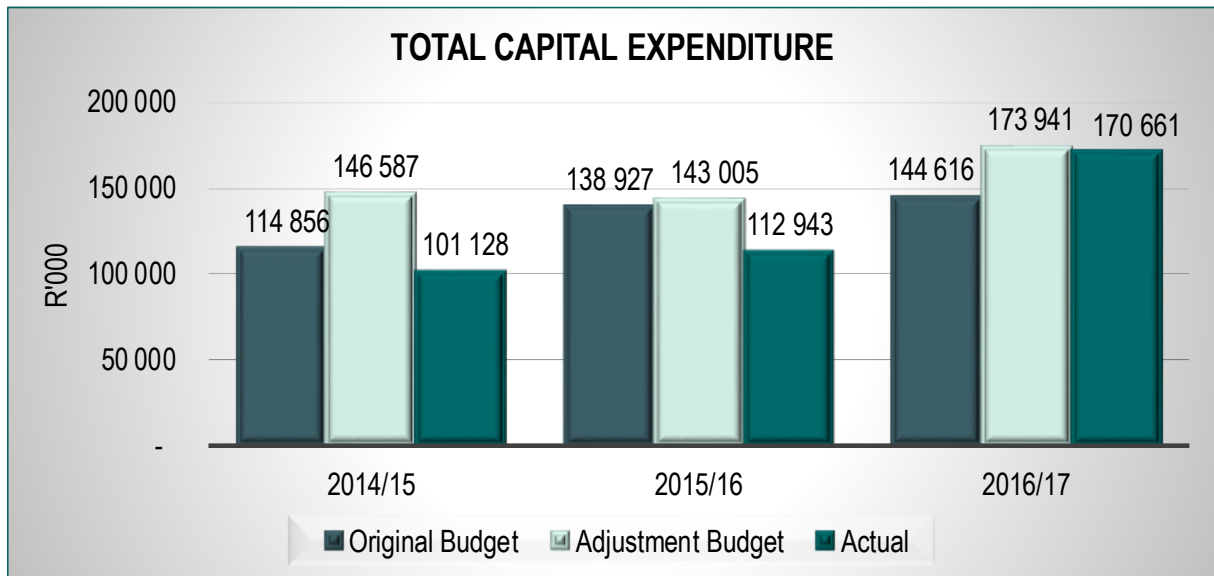
FINANCIAL OVERVIEW: 2016/17			
R' 000			
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	351 271	351 271	477 693
Taxes, levies and tariffs	1 893 646	1 919 338	1 663 426
Other	269 256	279 963	261 421
Sub-total	2 514 173	2 550 572	2 402 540
Less: Expenditure	2 818 956	2 853 431	2 709 801
Net total	-304 783	-302 858	-307 261

OPERATING RATIOS	
Detail	%
Employee cost	21%
Repairs and maintenance	3%
Finance charges and impairments	17%

COMMENTS ON OPERATING RATIOS

Employee cost at 21% is below the 30% norm due to the high vacancy rate that exists in the municipality. Repair and maintenance at 3% is far below the norm of 8% of total budget as a result of unaffordability. Finance charges and impairment at 10% is in line with the national norm.

TOTAL CAPITAL EXPENDITURE: 2014/15 TO 2016/17			
R'000			
Detail	2014/15	2015/16	2016/17
Original budget	114 856	138 927	144 616
Adjustment budget	146 587	143 005	173 941
Actual	101 128	112 943	170 661



COMMENTS ON CAPITAL EXPENDITURE

Capital expenditure for the period was higher than in 2014/15 and 2015/16. Total capital expenditure amounts to R 142.1 million.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

A contract proposal from Mbuso Management Solutions was accepted by Council on 1 March 2017 to kick-start a Strategic Process and to finalize the Strategic Planning session of the administration.

The appointment of the service provider was made in terms of Section 115 of the Municipal Finance Management Act, Act 56 of 2003, Municipal Resolution 35: 2016/2017.

Strategic Planning sessions were held on 11 and 12 April 2017 with Councillors and post levels 1 to 6 officials respectively to discuss the draft 5-year Strategic Plan and 5-year Strategic Objectives.

Various one on one sessions were also conducted with the Directorates and sections of Council.

Part of the scope to be performed by the service provider was to develop a new vision, mission and core values. This was adopted by Council on 30 May 2017 (CC 89/2017).

Mbuso Management also finalized a new overhead structure which was approved by Council.

Lower organizational levels still need to be finalised by the service provider during the 2017/2018 financial year.

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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 Sections 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.

Current status in terms of filling senior managers' positions

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

Council's overhead structure was revised during April 2017 by an appointed service provider and approved by council on 24 April 2017. The revised structure consists of the following directorates:

- ▶ Directorate Corporate Support
- ▶ Directorate Budget and Treasury
- ▶ Directorate Local Economic Development
- ▶ Directorate Public Safety
- ▶ Directorate Community Development
- ▶ Directorate Technical and Infrastructure
- ▶ Directorate Planning and Human Settlements

All above mentioned positions are currently vacant.

The positions were advertised in the National Newspapers: Sowetan and New Age on 16 May 2017 with closing date 2 June 2017.

The process should be completed at the latest by 30 November 2017 with the commencement date of new appointees on 1 October / November 2017.

1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT: 2015/16

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 (2015/16) 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 conform to in-year reporting formats to ensure that reporting and monitoring feed 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 2016/17 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 the Auditor-General.	
10	Annual Performance Report as submitted to the 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 representations are 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

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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 process flow and 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 requirements of 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 financial 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 assists 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 in streamlining 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.

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INTRODUCTION TO GOVERNANCE

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

The political and administrative components of Council maintain a sound working relationship by ensuring respect for procedures and protocols. The City Council as a legal entity relates to the other spheres of government and organised local government bodies through the Intergovernmental Policy Framework. Communities as an interest group in municipal affairs participate 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 and 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 minimises 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 77 Councillors since 6 August 2016, after the election, who are deployed in the current various council committees, namely:

- ▶ Finance and Debt Normalisation
- ▶ Housing, Land Affairs and Rural Development
- ▶ Corporate Services
- ▶ Community and Health Services
- ▶ Sport, Arts and Culture
- ▶ Transversal Issues
- ▶ Public Safety
- ▶ Infrastructure
- ▶ Electrical and Mechanical Engineering
- ▶ Economic Growth and Markets

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The City of Matlosana approved the following new Top Structure during April 2017:

- ▶ Office of the Municipal Manager
- ▶ Budget and Treasury
- ▶ Corporate Support Services
- ▶ Technical and Infrastructure
- ▶ Local Economic Development
- ▶ Public Safety
- ▶ Planning and Human Settlements
- ▶ Community Development

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

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

The Executive Mayor, Cllr ME Kgaile appointed her Mayoral Committee Members (MMCs) from amongst the ranks of elected councillors, who advise her on municipal affairs as well as other councillors to serve in Section 80 committees for a specific purpose.

POLITICAL STRUCTURE		FUNCTIONS
EXECUTIVE TEAM		
	EXECUTIVE MAYOR Cllr ME Kgaile	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 intended to address priority needs through the Integrated Development IDP 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 RW Ntozini	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 MV Chinga	The Single Whip has to ensure that councillors are accountable to the community and 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.

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MAYORAL COMMITTEE MEMBERS

				
Cllr FI Tagaree MMC Finance and Debt Normalisation	Cllr TG Khoza MMC Economic Growth and Market	Cllr PF Mabeli MMC Sport, Arts and Culture	Cllr ML Mojaki MMC Corporate Services	Cllr SJ Daemane MMC Public Safety
				
Cllr TO Vilakazi MMC Housing, Land Affairs and Rural Development	Cllr NI Matetoane MMC Transversal Issues	Cllr MF Nthaba MMC Infrastructure	Cllr SD Montoedi MMC Electrical and Mechanical Engineering	Cllr NS Mendela 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. Councillors fulfil their obligations to the community and support the achievements of the municipality in its objectives as set out in Chapter 3 of section 19 of the Local Government: Municipal Structures Act (117 of 1998), as amended and Schedule 1 of the Code of Conduct of the Local Government: Municipal Systems Act (32 of 2000) as amended. Councillors serve a term of five years.

The City of Matlosana comprises 39 ward councillors and 38 PR (proportional representation) councillors.

Ward Councillors should be fully involved in all community activities in which the ward committee is established 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 the ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it received. The party decides which members should 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

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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 in terms of Section 160 (2) of the Constitution are considered by the Mayoral Committee and recommended to Council.

Matters delegated by Council are finalised at the Mayoral Committee and 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 96.6%.

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 appointed the Municipal Manager, Mr TSR Nkhumise with effect from 01 May 2017, 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, economic, 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 of 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 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 deem appropriate and are responsible for all those duties 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.

The table below indicates the top administrative structure as before Council approved a new overhead structure on 21 April 2017 which is in line with its strategic direction.

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TOP ADMINISTRATIVE STRUCTURE	FUNCTIONS
MUNICIPAL MANAGER	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, as amended.
DIRECTOR: CORPORATE SERVICES	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 co-operative governance.
DIRECTOR: FINANCE	The director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, credit control management, investments and banking, treasury management, supply chain management and risk management.
STRATEGIC PLANNING, MONITORING AND CONTROL	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	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.
DIRECTOR: CIVIL SERVICES AND HUMAN SETTLEMENTS	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.
DIRECTOR: ELECTRICAL AND MECHANICAL ENGINEERING	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.
DIRECTOR: MUNICIPAL AND ENVIRONMENTAL SERVICES	The director is responsible for community services, public safety, arts and culture. 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**.

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

2.3 INTERGOVERNMENTAL RELATIONS

The primary purpose of the intergovernmental relations is to position the municipality so as to 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 for 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 on-going 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 are monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.
- ▶ To coordinate and align all events that involve other spheres of government – e.g. national days, Imbizos, etc.
- ▶ To promote effective lines of communication between the municipality and other spheres of government.
- ▶ To ensure effective relations and share models of good practice with other municipalities

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various Intergovernmental Relations activities at the national, provincial and district levels. 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 Managers' Forum
- ▶ Mayors' Forum
- ▶ Chief Financial Officers' Forum

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

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 include:

- ▶ 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.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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 on-going processes 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 being advertised in local newspapers and loud hailing.

The Municipal Public Accounts Committee (MPAC) conducts 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 play a key role where MPAC holds 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.

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. The 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 developmental efforts of the municipality.

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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 effect 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 the 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 two 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 (SDBIPs) 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.

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 Sections 72 – 78 of the Local Government: Municipal Structures Act, Act 117 of 1998 has been accepted on ward committees.

PUBLIC MEETINGS

TOWN	DATE	TIME	VENUE
IMBIZOS			
Kanana	26 February 2017	14h00	Mpheqeka Stadium
Khuma	26 March 2017	14h00	Khuma Stadium
Jouberton	28 May 2017	14h00	Brazil Stadium
Tigane	09 July 2017	14h00	Extension 6 Sports Ground

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BUDGET AND IDP CONSULTATIONS			
Klerksdorp	18 April 2017	16h00	Klerksdorp Ballroom
Stilfontein	19 April 2017	16h00	People's Hall
Klerksdorp	20 April 2017	10h00	Klerksdorp Ball-Room
Kanana	20 April 2017	16h00	Mokati Hall
Alabama	24 April 2017	16h00	Alabama Community Hall
Khuma	25 April 2017	16h00	Khuma Community Hall
Orkney	03 May 2017	16h00	Orkney Library
Tigane	09 May 2017	16h00	Tigane Hall
Jouberton	10 May 2017	16h00	Jouberton Hall
IDP REPRESENTATIVE FORUM MEETING			
Representative Forum Meeting	8 December 2016	10:00	Council Chamber
Representative Forum Meeting	20 April 2017	10:00	Council Chamber

COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

In its preamble, the Freedom Charter (1955) cautions us that “no government can justly claim authority unless it is based on the will of the people”. The Charter is the blueprint according to which our democratic future is built, and our municipality ensures that public participation remains the hallmark of all government work.

The City of Matlosana established ward committees in all 39 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.

The municipality has not lost the connection with communities in relation to projects it implements in their name. 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	

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

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

The role of the Risk Management Unit is to provide the Municipality with comprehensive support for institutionalizing Risk Management, coordinating efforts in determining the municipality's risk exposures and in the development of action plans by management for addressing such exposures. Line management is 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.

During the financial year 2016/17, the Municipality had a functional Risk Management Unit as well as a functional Risk Management Committee which held four meetings during the year. The municipality maintains the following approved strategic documents:

- ▶ Risk Management Committee Charter;
- ▶ Risk Management Policy;
- ▶ Risk Management Strategy;
- ▶ Risk Management Implementation Plan;
- ▶ Anti-fraud and Corruption Plan.

The municipality has further developed a Risk Management Framework that is to be adopted by the new Council in the 2017/18 financial year.

The Municipality maintains its Strategic Risk Register, as well as departmental Operational Risk Registers. The following were identified as the top eight Strategic Risks of the Municipality in terms of the residual risk values of the risks being the highest at 25;

- ▶ Lack of Infrastructure Master Plans
- ▶ Ineffective records management
- ▶ Lack of an effective, efficient and adequate network infrastructure
- ▶ Inadequate management, supervision controls and oversight
- ▶ Ineffective municipal economic growth activity
- ▶ Incomplete income management
- ▶ Inadequate financial management
- ▶ Financial constraints to meet commitments

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The Municipality has in terms of the Risk Management Implementation Plan not achieved all its targets as anticipated due to factors such as financial constraints; however, a critical aspect of sustaining management awareness and commitment was achieved through the risk management quarterly meetings with different directorates.

Risk Management 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.

The City of Matlosana 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 Municipal Manager annually. The Committee comprises external persons and selected members of City of Matlosana senior management. As per approved charter, the Committee should meet at least four (4) times a year. The Committee meetings during the financial year under review were attended as follows:

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
*Ms L Mosoetsa	Chairperson	4	3
Ms L Ramorola	Member	4	3
Mr S Mabuda	Member	4	3
Mr M More	Member	4	2
Mr D Rannona	Member	4	2

* An external member is a person who is not employed by the City of Matlosana.

2.7 ANTI-CORRUPTION AND FRAUD

The City of Matlosana has developed an anti-corruption strategy to give effect to the expressed commitment of the Municipality to fight corruption in the institution. This strategy is largely aligned with the anti-corruption strategy of 2015 which was developed by the Department of Public Service Administration (DPSA). This strategy therefore serves as a guide with regard to how the municipality must deal with cases of fraud, corruption theft and other financial misconduct.

Over and above the Anti-Corruption Strategy, the Municipality has developed and approved the Fraud Response Plan, the fraud Prevention Policy and a Fraud Prevention Plan. In these documents, there is guidance regarding the prevention and the detection of fraud and corruption to ensure that issues of conflict of interest, and interference and the conduct of the employees and councillors are managed.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to uphold efficient and cost effective managed procurement plan, through intelligent strategic procurement strategies to accelerate quality delivery of services and at the same time contribute to economic growth.

The Municipality is accelerating measures to centralise the SCM Unit and at the same time ensure that it procures what is needed at the right time, the right price, in the correct quantities and delivery to the right location. Central to this objective are the following pertinent themes:

- ▶ Optimising procurement strategies;
- ▶ Supplier relationship management;
- ▶ Performance optimisation inclusive of contract management.

2.9 BY-LAWS

BY-LAWS INTRODUCED DURING 2016/17

BY-LAWS INTRODUCED DURING 2016/17					
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
	Electricity by-law	Yes	01 March 2017	Yes	28 March 2017
	Rules of Order	Yes	01 March 2017	Yes	18 April 2017

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 by 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:

Chapter 2

BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS			
Building and Outdoor Advertising By-Laws	No. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
Drainage and Plumbing By-Laws	No. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
Water Supply By-Laws	No. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
SPLUMA	No. 7622 Notice 31	ADMIN 365/2015	Finalised
DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING			
Electricity By-law	No. 7749 Notice 32	CC25/2017 dated 31 January 2017	Finalised
DIRECTORATE: CORPORATE SERVICES			
Bursary By-Laws	No. 5957 Notice 400	CC 56/2003 dated 30 September 2003	Finalised
Rules of Order	No. 7755 Notice 52	CC47/2017 dated 30 March 2017	Finalised
DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES			
Community Services			
Cemetery By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Faan Meintjies Nature Reserve By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Livestock Market By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
PC Pelser Airport: Control and Management By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Parks and Gardens By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Public Amenities By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Solid Waste and Sanitary By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Library By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Waste Management By-Laws	No. 7160, 30/8/2013	CC30/2013 dated 26 March 2013.	Finalised
Public Safety			
Fire Services By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Licensing of Public Vehicles By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised

Chapter 2

BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
Parking Ground By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Parking Meter By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
By-Laws relating to dogs	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Street and Miscellaneous By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Traffic By-Laws	No. 5957 Notice 401	CC 56/2003 dated 30 September 2003	Finalised
Regulating, Control and Supervision of Hawkers By-Laws	No. 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	No. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Public Health By-Laws	No. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
Milk By-Laws	No. 5957 Notice 402	CC 56/2003 dated 30 September 2003	Finalised
DIRECTORATE: FINANCIAL SERVICES			
Customer Care, Credit Control and Debt Collection By-Law	No. 7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised
Rates By-Law	No. 7028, 22/8/2012	CC57/2012 dated 26 June 2012	Finalised
Tariff By-Law	No. 7021, 3/8/2012	CC67/2012 dated 31 July 2012	Finalised
DIRECTORATE: MACRO-CITY PLANNING AND DEVELOPMENT			
Local Economic Development			
Preferential Procurement By-law	No. 5957 Notice 403	CC 56/2003 dated 30 September 2003	Finalised
Fresh Produce Market By-Law			
Fresh Produce Market By-Law	No. 5957 Notice 397	CC 56/2003 dated 30 September 2003	Finalised

2.10 WEBSITES

Section 75 of the Municipal Finance Management Act, 56 of 2003, requires the Accounting Officer of a municipality to place on the website referred to in Section 21A of the Municipal Systems Act the following documents of the municipality:

Chapter 2

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	09 May 2017
All current budget-related policies	Yes	09 May 2017
The previous Annual Report (2015/16)	Yes	03 Feb 2017
The Annual Report (2016/17) to be published	N/A	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2016/17) and resulting scorecards	Yes	10 July 2017
All service delivery agreements (2016/17)	No	
All long-term borrowing contracts (2016/17)	No	
All supply chain management contracts above a prescribed value (give value) for (2016/17)	Yes	11 July 2017
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/17	No	
Contracts agreed in 2015/16 to which Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section	Yes	01 November 2016
Public-private partnership agreements referred to in Section 120 entered into (2016/17)	Yes	01 November 2016
All quarterly reports tabled in the Council in terms of Section 52 (d) during (2016/17)	Yes	07 November 2016

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipal website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted on the website should be accurate and timeously updated.

The COM provides access to its information to a wide range of customers, stakeholders and the community at large through its website which can be accessed at www.matlosana.gov.za. The website provides easy online access to the City's information which covers a wide range of topics useful to its stakeholders.

After the municipal elections in 2016 the City's website was updated with the images and the contact information of all the newly-elected councillors including the Mayor, the Speaker and the Chief Whip.

During the first and second quarter of 2017 a new Municipal Manager as well as a new Chief Financial Officer was appointed. Their contact details and images were also updated on the official 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), questionnaires are given to public to evaluate and comment on the services rendered by the municipality.

Chapter 3



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

Household: A *household* consists of a person or a group of persons who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling but who do not share food or other essentials were counted as separate households during the 2013 census. For example, people who shared a dwelling but who bought food and ate separately were counted as separate households.

Visitors, 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. Live-in domestic workers and live-in employees were regarded as separate households (Statistics South Africa, Census 2011).

Housing Unit: 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 backyard;
- ▶ informal dwelling / shack in backyard or not in backyard, e.g. in an informal / squatter settlement;
- ▶ room / flat that is let, not in a backyard 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 supplies to any person within its area of jurisdiction and may do so at the cost of the authority and 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 supplied by the bulk service provider.
- ▶ Distribution of water to the consumer through its water infrastructural network which includes piping systems, pump stations and reservoirs.
- ▶ Testing 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 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.

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The strategic objectives

- ▶ Arrangements are being made to boost the disinfection of water to improve quality up to the consumer point.
- ▶ Rendering sustainable bulk water service by supplying adequate water of good quality on a continuous basis and at a reasonable cost to the consumer.
- ▶ Providing, operating and maintaining the distribution system to meet the needs of all customers and reduce water losses.
- ▶ To achieve 95% blue drop status in the 2017/18 financial year.

Challenges

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

All the above contribute to the following:

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

Key issues

- ▶ The current water loss at 35% was due to the bulk pump line which is currently being upgraded.
- ▶ The prioritized bulk pump lines are to be upgraded to curb water loss, and application for its funding has been approved

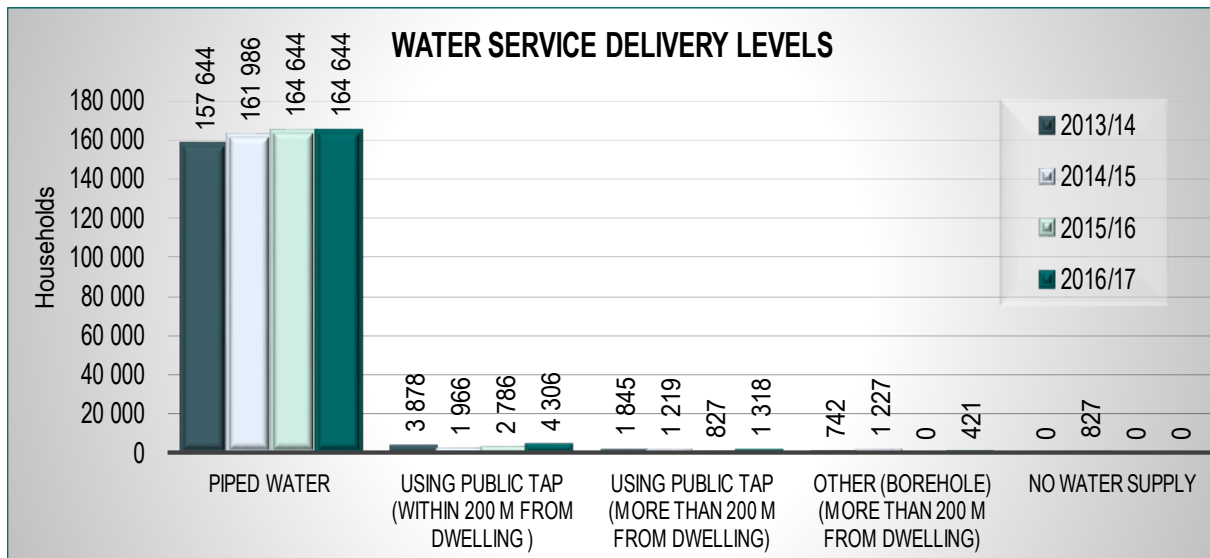
TOTAL USE OF WATER BY SECTOR (KILOLITRE)					
Year	Commercial	Other	Industrial	Domestic	Unaccountable Water Losses
2013/14	1 688 829	807 534	89 594	16 236 894	7 174 000
2014/15	109 150	91 200	2 893 119	15 489 600	12 348 401*
2015/16	600 000	45 174	11 826	23 652 000	8 541 000
2016/17	609 075	36 545	12 100	19 644 780	12 547 500

* 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.

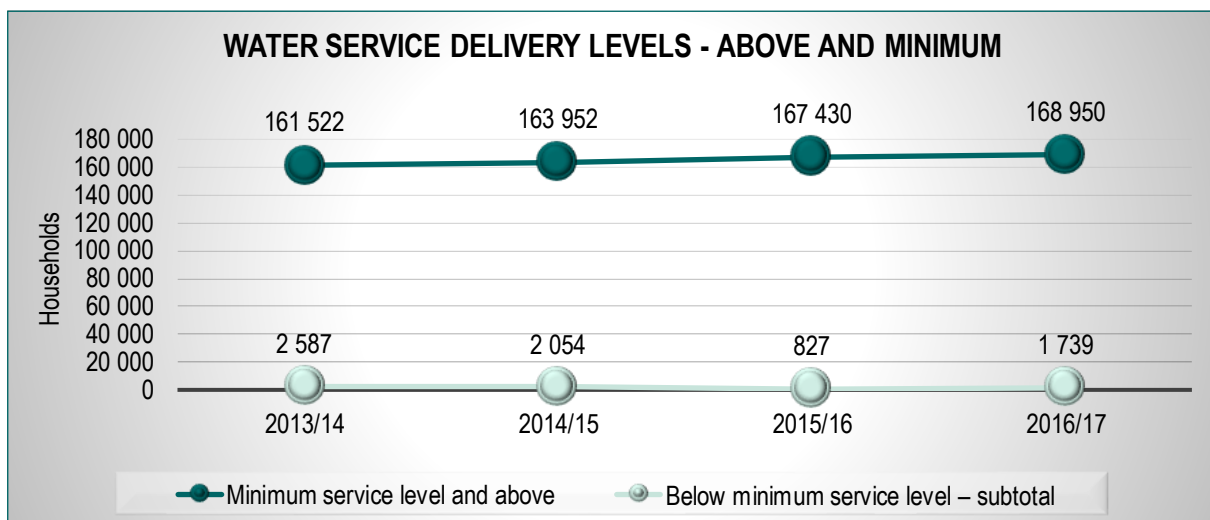
COMMENT ON WATER USE BY SECTOR

Plans are in place to ensure that sufficient capacity is available for the increased demand arising from the growing townships of Alabama, Jouberton, Hartbeesfontein and Tigane areas. The commencement of Alabama Bulk Water Supply Phase 3B and water supply from Midvaal endpoint has been realised.

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WATER SERVICE DELIVERY LEVELS				
Description	Households			
	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual
<u>Water: (above minimum level)</u>				
Piped water	157 644	161 986	164 644	164 644
Using public tap (within 200 m from dwelling)	3 878	1 966	2 786	4 306
<i>Minimum service level and above – sub-total</i>	161 522	163 952	167 430	168 950
<i>Minimum service level and above – percentage</i>	98%	98%	99%	99%
<u>Water: (minimum and below minimum level)</u>				
Using public tap (more than 200 m from dwelling)	1 845	1 219	827	1 318
Other (Borehole) (more than 200 m from dwelling)	742	1 227	0	421
No water supply	0	827	0	0
<i>Below minimum service level – sub-total</i>	2 587	2 054	827	1 739
<i>Below minimum service level – percentage</i>	2%	2%	1%	1%
TOTAL HOUSEHOLDS*	164 109	167 225	168 257	170 689
* - Total include informal settlements				



Chapter 3

WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Description	2014/15	2015/16	2016/17		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	163 612	164 644	164 644	164 644	164 644
Households below minimum service level	0	0	0	0	0
<i>Proportion of households below minimum service level</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Informal settlements					
Total households	3 613	3 613	3 613	6 045	6 045
Households below minimum service level	2 054	827	827	1 739	1 739
<i>Proportion of households below minimum service level</i>	<i>56.85%</i>	<i>22.89%</i>	<i>22.89%</i>	<i>28.77%</i>	<i>28.77%</i>

ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving six kl free
2013/14	164 109	157 644	164 109
2014/15	166 797	163 612	167 225
2015/16	168 257	167 430	168 257
2016/17	170 689	168 950	170 689

EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	0	1	100%
4 - 6	2	3	3	0	0%
7 - 9	6	7	6	1	14%
10 - 12	15	16	14	2	13%
13 - 15	15	18	15	3	17%
16 - 18	7	18	7	10	56%
19 - 20	61	62	61	1	2%
Total	107	125	106	19	15%

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FINANCIAL PERFORMANCE 2016/17: WATER SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	448 232	637 712	622 594	498 002	-28%
Expenditure					
Employees	27 077	24 783	28 060	30 774	19%
Repairs and maintenance	5 808	16 099	13 187	6 787	-137%
Other	352 346	480 498	407 584	365 901	-31%
Total Operational Expenditure	385 232	521 380	448 831	403 462	-29%
Net Operational Expenditure	63 001	116 332	173 763	94 540	

COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

The commencement of the following multi-year bulk water projects will ensure sustainable water supplies to the various areas

- ▶ Alabama Bulk Water Supply Phase 3B.
- ▶ Water Supply from Midvaal endpoint.

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 and the water supply from Midvaal endpoint to Jouberton and Alabama will assist in reducing water loss experienced on the existing old pump line.

There are focused plans on addressing sustainable water supplies in some affected parts as well as water quality management and security enhancement at bulk infrastructure.

The result for the 2013 Blue Drop assessment as received in the financial year (2015/16) set a benchmark to work on towards improvement.

NATIONAL KEY PERFORMANCE INDICATOR

See pages 211-212 for details.

Chapter 3

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

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2014/15	2015/16	2016/17			2017/18
		Actual	Actual	Target			Target
				Original	Adjusted	Actual	
To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure a basic water service	Bulk water supply improved with a water pressure tower for Alabama / Manzilpark (Phase 3B)	1.5 km bulk pipeline has been achieved. Project 65% completed. R6 828 340	Pipe work completed and the reservoir is outstanding. R9 993 080	Elevating one bulk water 2 Ml pressure tower supplied for Alabama / Manzilpark (Phase 3B) by June 2017 R11 170 413	R3 742 210	Site established, excavations and foundations completed R6 639 203	R16 026 701
To improve water supply from Midvaal endpoint to Jouberton and Alabama to upgrade	Water supply from Midvaal endpoint to Jouberton and Alabama	5.5 Km pipeline constructed. Project completed. R13 526 187	Payment finalized R2 434 478	Constructing one 13.2 km* of 600mm diameter uPVC pipeline for water supply from Midvaal endpoint to Jouberton and Alabama (Phase 1) by June 2017 R6 765 665	R16 764 542	Contractor appointed and site establishment completed R14 705 738	R 26 160 454
To increase the capacity of water in the Matlosana network	Reticulation network upgraded by kilometres of pipe line constructed in the Matlosana area	New project	0.3 Km pipeline constructed R4 385 654	Upgrading of reticulation network in Matlosana area by constructing 1.2 km pipe line by June 2017 R1 212 480	None	1.2 Km pipeline constructed Reticulation network upgraded R0 (Payment will be processed in the 2017/18 FY	N/A

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The main objectives of the Sanitation section are to

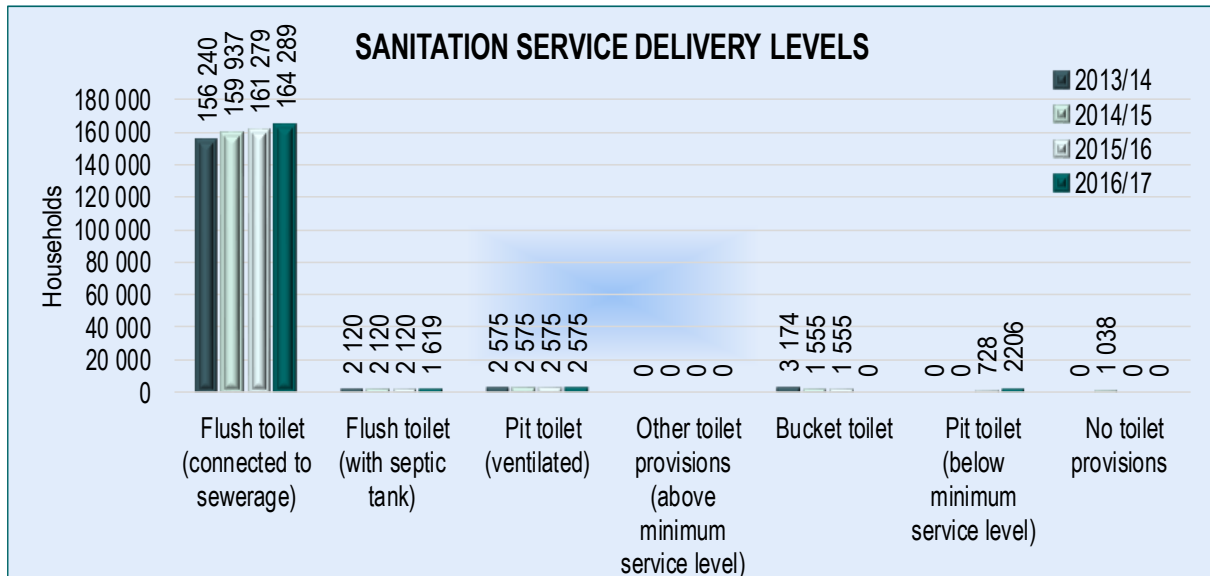
- ▶ provide sanitation services to all the households in the Matlosana area and enforce the relevant By-laws to the residents and the industries;
- ▶ maintain a sewer system network and to plan for a new sewer system service on new developments and settlements in the area;
- ▶ ensure a clean and a compliant 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 improvements to the refurbishment of the Waste-Water Treatment Plants as per the outcome of PAT feedback by DWS (Department: Water and Sanitation).

OBJECTIVE

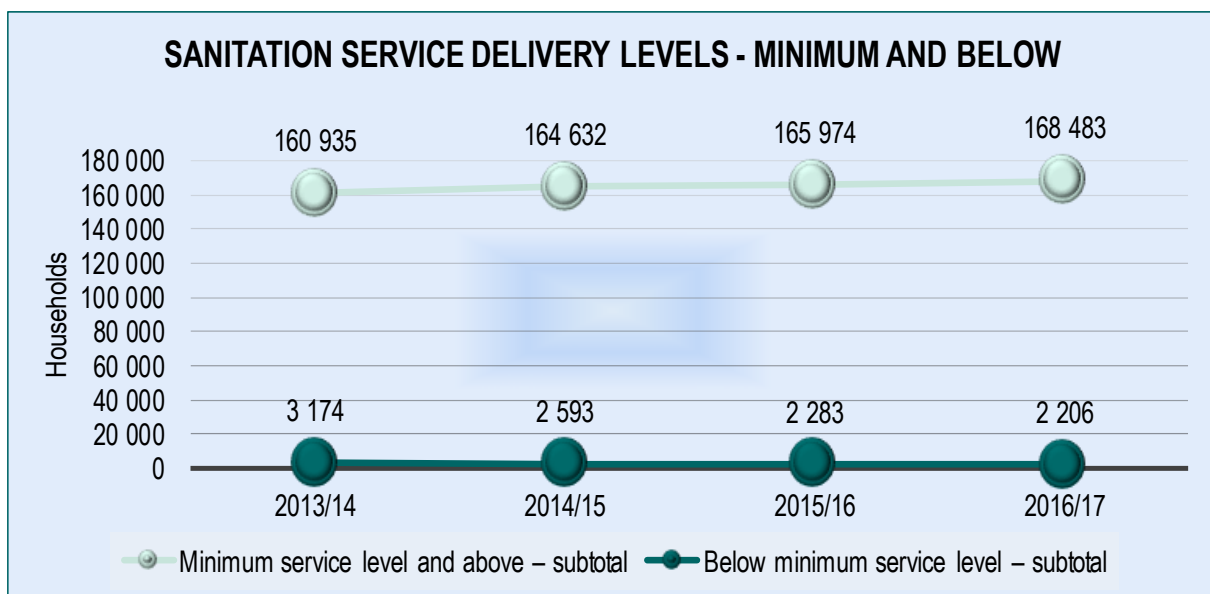
To be the best municipality in the North West in terms of Green Drop status achievement which is awarded by the National Department of Water and Sanitation.

SANITATION SERVICE DELIVERY LEVELS				
Description	2013/14	2014/15	2015/16	Households 2016/17
	Actual	Actual	Actual	Actual
<u>Sanitation/Sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	156 240	159 937	161 279	161 083
Flush toilet (with septic tank)	2 120	2 120	2 120	1 619
Pit toilet (ventilated)	2 575	2 575	2 575	2 575
Other toilet provisions (above minimum service level)	0	0	0	0
<i>Minimum service level and above – sub-total</i>	160 935	164 632	165 974	168 483
<i>Minimum service level and above – percentage</i>	98. 1%	98. 45%	98.64%	98.7%
<u>Sanitation/Sewerage: (below minimum level)</u>				
Bucket toilet	3 174	1 555	1 555	0
Pit toilet (below minimum service level)	0	0	728	2 206
No toilet provisions	0	1 038	0	0
<i>Below minimum service level – sub-total</i>	3 174	2 593	2 283	2 206
<i>Below minimum service level – percentage</i>	1. 9%	1. 55%	1.36%	1.3%
TOTAL HOUSEHOLDS*	164 109	167 225	168 257	170 689
* - Total include informal settlements				

Chapter 3

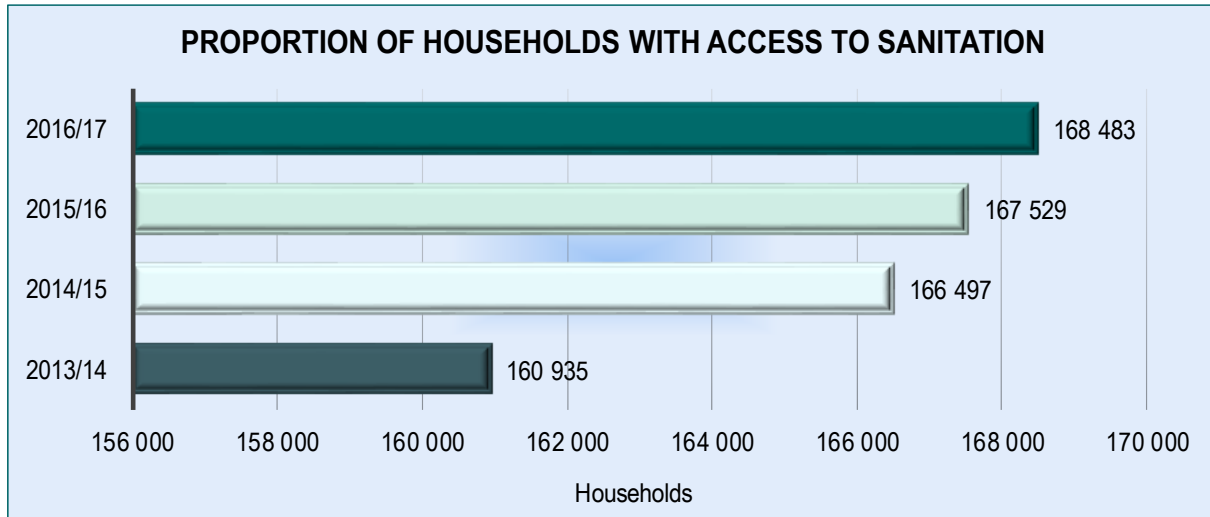


SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Description	2014/15	2015/16	2016/17		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	163 612	164 954	164 954	164 954	165 277
Households below minimum service level	80	15	15	15	0
<i>Proportion of households below minimum service level</i>	<i>0.05%</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.00%</i>
Informal settlements					
Total households	2 575	3 613	3 613	3 613	5 412
Households below minimum service level	2 575	3 533	3 533	3 533	2 206
<i>Proportion of households below minimum service level</i>	<i>100%</i>	<i>97.79%</i>	<i>97.79%</i>	<i>97.79%</i>	<i>40.76%</i>



Chapter 3

ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2013/14	160 935
2014/15	166 497
2015/16	167 529
2016/17	168 483



EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	2	3	2	1	33%
7 - 9	7	7	7	0	0%
10 - 12	18	21	16	5	24%
13 - 15	5	7	5	2	29%
16 - 18	40	46	39	7	15%
19 - 20	85	85	85	0	0%
Total	158	170	155	15	9%

Chapter 3

FINANCIAL PERFORMANCE 2016/17: SANITATION SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	98 206	180 831	143 645	119 925	-51%
Expenditure					
Employees	33 770	30 777	36 957	38 468	20%
Repairs and maintenance	6 671	13 103	11 530	14 779	11%
Other	61 084	73 995	83 779	56 735	-30%
Total Operational Expenditure	101 525	117 875	132 266	109 982	-7%
Net Operational Expenditure	-3 319	62 956	11 379	9 943	

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 project implementation which was successfully achieved through:

- ▶ Upgrading and installing mechanical and electrical equipment at Lerato Pump-station in Kanana – R5 131 863
- ▶ Upgrading and installing mechanical and electrical equipment at the Swart Street Pump Station in Oudorp– R3 196 434

NATIONAL KEY PERFORMANCE INDICATOR

See pages 212 - 213 for details.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 143 – 144 & 146)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2014/15	2015/16	2016/17			2017/18
		Target	Actual	Target			Target
				Original	Adjusted	Actual	
To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure	Number of km sewer network installed and upgraded	Designing of the construction of sewer network completed R1 507 588	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	Installing a 1.3km of 250mm diameter uPVC main outfall sewer line, 17km of 160mm diameter sewer network lines, 5.2 km of 110mm diameter house connections, 119 manholes and upgrading of existing tralie pump stations for the sewer network in Khuma Proper (North East) by June 2017 R12 021 811	R 7 802 324	2.2 Km of excavations and pipe installations. 11.032 km of 110 mm diameter pipeline installed. 120 Manholes completed. 14km backfilled. House connections completed R6 837 189	R4 233 207
To upgrade and install mechanical and electrical equipment at Lerato Pump-station in Kanana to maintain the current infrastructure and to cater for the increased effluent demand	Lerato Pump-station in Kanana upgraded	New project	New project	Upgrading and installing mechanical and electrical equipment at Lerato Pump-station in Kanana as per the technical report by June 2017 - R7 668 929	R5 852 672	New mechanical screen, compactor and waste water system. MCC and star delta starters replaced. R5 131 863	N/A

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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.

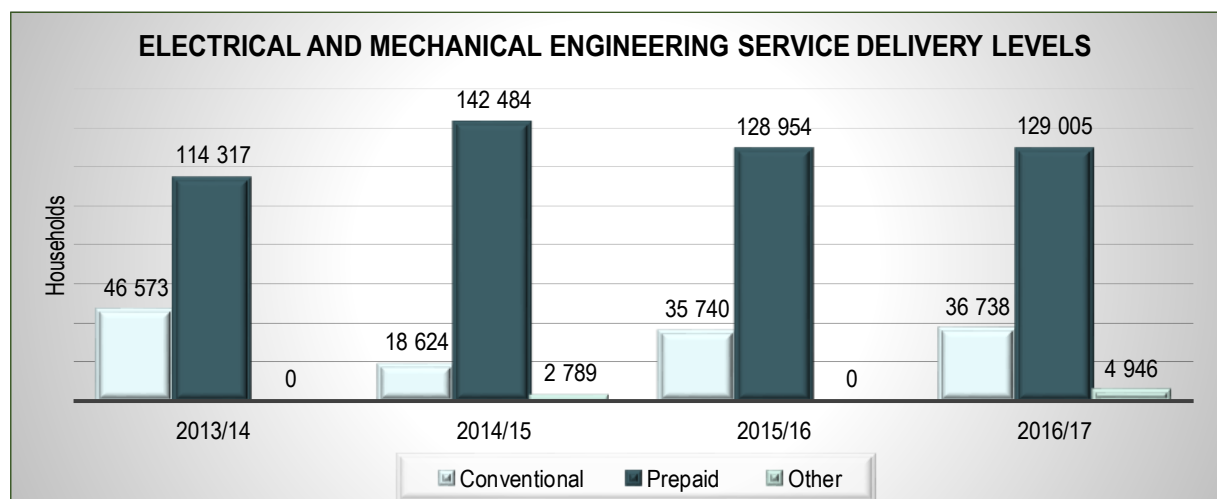
The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana.

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 to reduce the service backlog 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. The total number of households provided with electricity in formal and informal stands at 95%.

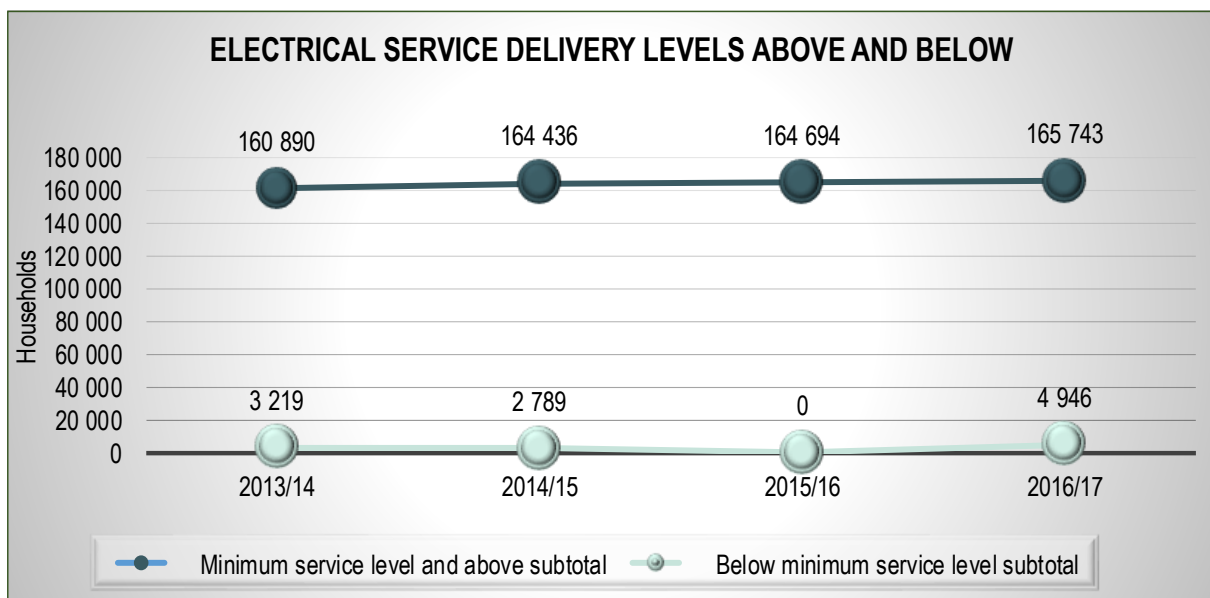
With reference to the vision and mission of the Directorate Electrical and Mechanical Engineering to ensure a high quality of electrical supply in its licensed area, including uninterrupted electrical supply and proper public lighting (high masts and street lights) the directorate faces the following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



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ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS				
Description	Households			
	2013/14	2014/15	2015/16	2016/17
	Actual	Actual	Actual	Actual
<u>Energy: (above minimum level)</u>				
Electricity (at least minimum service level) (conventional)	46 573	18 624	35 740	36 738
Electricity - prepaid (minimum service level)	114 317	142 484	128 954	129 005
<i>Minimum service level and above subtotal</i>	<i>160 890</i>	<i>164 436</i>	<i>164 694</i>	<i>165 743</i>
<i>Minimum service level and above percentage</i>	<i>98. 0%</i>	<i>98. 33%</i>	<i>98%</i>	<i>97.00%</i>
<u>Energy: (below minimum level)</u>				
Electricity (< minimum service level)	3 219	2 789	3 563	4 946
<i>Below minimum service level sub-total</i>	<i>3 219</i>	<i>2 789</i>	<i>3 563</i>	<i>4 946</i>
<i>Below minimum service level percentage</i>	<i>2. 0%</i>	<i>1. 67%</i>	<i>2%</i>	<i>3%</i>
TOTAL HOUSEHOLDS*	164 109	167 225	168 257	170 689
* - Total include informal settlements				



ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Description	Households				
	2014/15	2015/16	2016/17		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	163 612	164 974	164 974	164 974	165 743
Households below minimum service level	292	1 529	1 529	1 529	0
<i>Proportion of households below minimum service level</i>	<i>0. 18%</i>	<i>0.9%</i>	<i>0.9%</i>	<i>0.9%</i>	<i>0%</i>
Informal settlements					
Total households	3 613	3 283	3 283	3 283	4 946
Households below minimum service level	2 212	2 034	2 034	2 034	4 946
<i>Proportion of households below minimum service level</i>	<i>66. 5%</i>	<i>61.9%</i>	<i>61.9%</i>	<i>61.9%</i>	<i>100%</i>

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EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	2	4	3	1	25%
4 – 6	10	11	10	1	9%
7 – 9	41	47	41	6	13%
10 - 12	9	13	9	4	31%
13 - 15	9	9	8	1	11%
16 - 18	24	32	22	10	31%
19 - 20	34	36	36	0	0%
Total	129	152	129	23	15%

FINANCIAL PERFORMANCE 2016/17: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	685 098	889 148	908 089	729 989	-24%
Expenditure					
Employees	36 290	38 216	31 225	39 523	21%
Repairs and maintenance	19 217	28 513	28 512	23 497	-21%
Other	611 537	657 834	725 749	652 653	-11%
Total Operational Expenditure	667 044	724 563	785 486	715 673	-10%
Net Operational Expenditure	18 054	164 585	122 603	14 316	

ELECTRICITY LOSSES

Electricity losses at the end of the financial year 2016/17 stood at 24 %. The losses constitute 14% of non-technical losses and 8% of technical losses.

This exceeds the acceptable level of losses which stipulates non-technical losses to be 12% and technical losses to be 6%. The City of Matlosana municipality has developed a strategy to reduce the electricity distribution losses. However, financial constraints have significantly hampered the implementation of this strategy.

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

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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 the 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 sites:
 - ▶ Municipal buildings.
 - ▶ Robots.
 - ▶ Streetlights.
 - ▶ Sports stadium lights.
 - ▶ Water and sewer treatment plants and pump-stations.

Strategic plan

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

Progress

The municipality has made 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).

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▶ Sealing and resealing of all meters

The municipality has embarked on a programme of sealing all replaced meters and resealing of all meters that have been found not to be 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:

- ∞ Replacement of stuck meters in schools and businesses.
- ∞ Disconnection of defaulters.
- ∞ Inspection of suspected tampering.

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 implements 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 compacts on an on-going basis at identified areas where tampering with electricity is significant.

DEPARTMENTAL (MUNICIPAL) LOSSES

The municipality has been performing an intensive investigation into 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 streetlight consumption, which is being supplied to the finance department for better estimation and budgeting.

▶ Robots

The municipality has currently not installed 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.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 148 - 150)

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2014/15	2015/16	2016/17			2017/18
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To install high mast lights to improve service delivery	Tigane High mast Lights (Phase 4) installed	New project	New project	Installing eight high mast lights in Tigane (Wards 1 & 2) (Phase 4) by June 2017 R2 000 000	R1 745 192	Erection of steel structures completed. Eight high mast lights installed - electrical reticulation and commission R1 534 304	R2 254 808
To install high mast lights to better service delivery	Brakspruit CPA High Mast Lights (Phase 1) installed	New project	16 Houses electrified - electrical reticulation and commission R190 516	Installing two high mast lights in Brakspruit CPA (Ward) (Phase 1) by June 2017 R600 000	R589 660	Erection of steel structures completed. Two high mast light installed - electrical reticulation and commission R504 260	N/A
To install high mast lights to better service delivery	Alabama High Mast Lights (Phase 2) installed	New project	New project	Installing 16 high mast lights in Alabama (Wards 3 & 4) (Phase 2) by June 2017 R4 000 000	R3 025 140	19 High mast lights installed - electrical reticulation and commission R3 433 166	R2 049 560

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COMMENTS ON THE PERFORMANCE OF ELECTRICAL SERVICES OVERALL

The department has been able to complete all capital projects under its management. There have been challenges in implementing maintenance due to material shortages and lack of equipment. The department has been able to ensure continuous supply of electricity, despite all challenges of financial constraints facing the municipality.

However, ageing infrastructure is making the performance of the network inadequate.

NATIONAL KEY PERFORMANCE INDICATOR

See pages 213 - 214 for details.

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

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

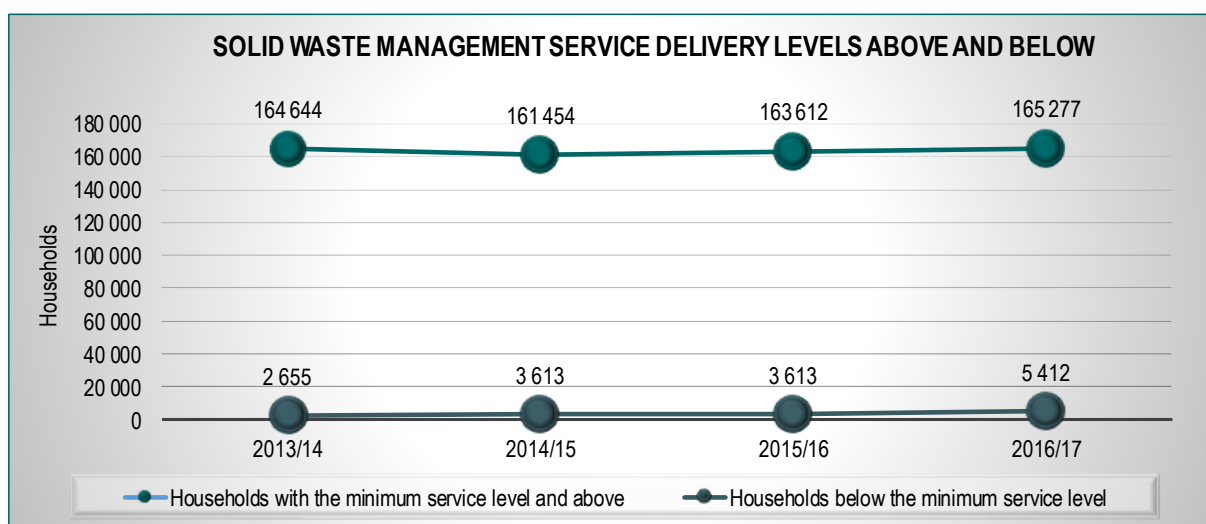
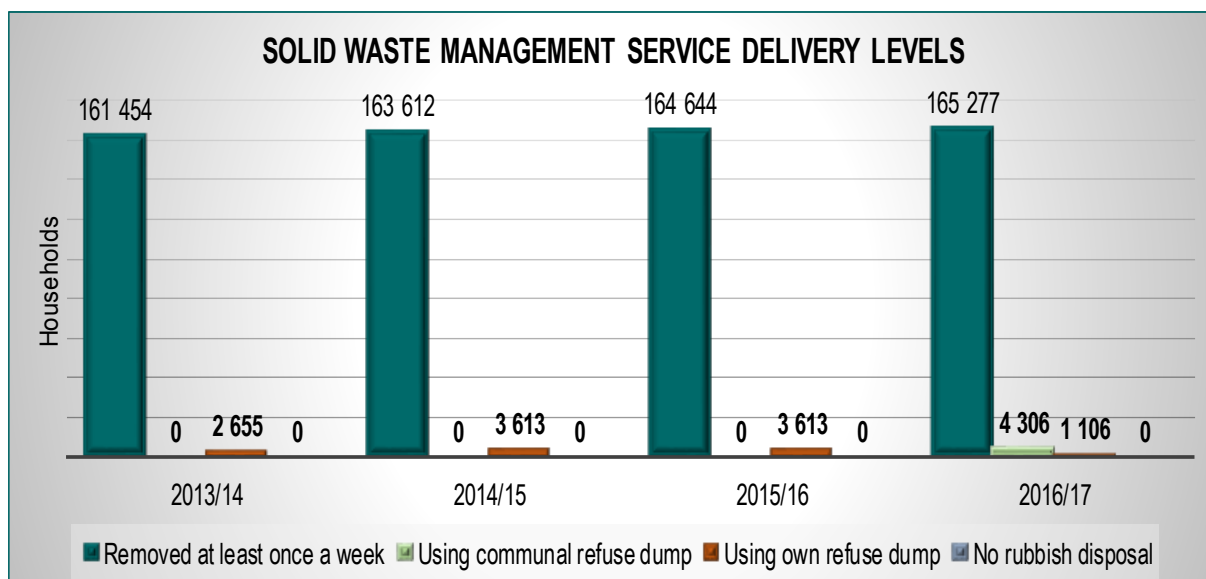
The service is rendered once a week in residential areas and daily at businesses and hospitals to keep the environment clean. This service is rendered with refuse compaction trucks in both townships and towns. Night soil service is rendered to residential premises in all areas where no waterborne sewerage is available. Vacuum services are 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;
- ▶ ten refuse trucks are 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 MANAGEMENT SERVICE DELIVERY LEVELS				
Description	2014/15	2014/15	2015/16	Households 2016/17
	Actual	Actual	Actual	Actual
Solid Waste Removal: (minimum level)				
Removed at least once a week	161 454	163 612	164 644	165 277
<i>Minimum service level and above sub-total</i>	161 454	163 612	164 644	165 277
<i>Minimum service level and above percentage</i>	98.4%	97.84%	97.84%	97.00%
Solid Waste Removal: (below minimum level)				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	0	0	0	4 306
Using own refuse dump	2 655	3 613	3 613	1 106
No rubbish disposal	0	0	0	0
<i>Below minimum service level – sub-total</i>	2 655	3 613	3 613	5 412
<i>Below minimum service level – percentage</i>	1.6%	2.16%	2.2%	3.00%
TOTAL HOUSEHOLDS*	164 109	167 225	168 257	170 689
* - Total includes informal settlements				

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SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
					Households
Description	2014/15	2015/16	2016/17		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	163 612	164 644	163 612	165 277	165 277
Households below minimum service level	0	0	0	0	0
<i>Proportion of households below minimum service level</i>	0%	0%	0%	0%	0%
Informal settlements					
Total households	3 613	3 613	3 613	5 412	5 412
Households below minimum service level	3 613	3 613	3 613	5 412	5 412
<i>Proportion of households below minimum service level</i>	100%	100%	100%	100%	100%

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EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	2	2	2	0	0%
4 – 6	3	3	3	0	0%
7 – 9	6	8	6	2	25%
10 - 12	15	24	21	3	13%
13 - 15	18	36	18	18	50%
16 - 18	7	11	6	5	45%
19 - 20	297	328	277	51	16%
Total	348	412	333	79	19%

FINANCIAL PERFORMANCE 2016/17: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	135 160	214 066	214 075	146 555	-46%
Expenditure					
Employees	52 541	53 926	53 886	53 245	-1%
Repairs and maintenance	6 618	5 254	7 253	6 772	-7%
Other	28 230	62 729	39 037	27 463	-42%
Total Operational Expenditure	87 389	121 909	100 176	87 480	-15%
Net Operational Expenditure	47 771	92 157	113 910	59 075	

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 cleaning: 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 and businesses where no waterborne sewerage or night soil service is available.
- ▶ Additional refuse: Rendering a service by removing additional refuse that is dumped illegally in open spaces, corners etc. and it is disposed at the landfill site.

NATIONAL KEY PERFORMANCE INDICATOR

See pages 215 - 216 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.
- ▶ To provide access to adequate housing.

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
2013/14	164 109	158 540	96.6%
2014/15	167 225	163 612	97.8%
2015/16	168 257	164 644	97.8%
2016/17	170 689	165 743	97.10%

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EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	1	1	0	0%
4 – 6	5	6	4	2	33%
7 – 9	3	4	3	1	25%
10 - 12	3	3	3	0	0%
13 - 15	5	7	5	2	29%
16 - 18	0	0	0	0	0%
19 - 20	1	2	1	1	50%
Total	18	23	17	6	26%

FINANCIAL PERFORMANCE 2016/17: HUMAN SETTLEMENTS					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 131	2 166	2 166	557	-289%
Expenditure					
Employees	6 241	7 333	7 323	7 127	-3%
Repairs and maintenance	274	225	225	193	-17%
Other	2 754	2 894	3 833	2 679	-8%
Total Operational Expenditure	9 269	10 452	11 381	9 999	-5%
Net Operational Expenditure	-7 138	-8 286	-9 215	-9 442	

COMMENT ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

As much as we are aware that housing is the core function of the Provincial Department of Human Settlements, it is the responsibility of the municipality to submit a five-year plan (Housing Sector Plan) to the Province. The City of Matlosana (through the Province) has built **2 237** (two thousand three hundred and thirty-seven) houses in the previous financial year. This number of houses was achieved against the challenge of a shortage of beneficiaries that we encounter in almost every ward.

Further, through the Title Restoration Programme, the municipality has received **2 887** (two thousand eight hundred and eighty-two) Title Deeds from the Province. The title deeds will be issued to the beneficiaries starting from the 1st of October 2017. The Title Restoration Programme will continue until the backlog of title deeds on all historical housing projects has been addressed. Jouberton Ext. 24, Kanana Ext. 14 and Alabama Ext. 3 are some of the historical projects which are lagging behind with Title Deeds. Therefore, the municipality will continue to identify suitable land for human settlements development and further determine or conduct housing needs analyses and submit these to the Provincial Department of Human Settlements.

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We have further completed 100 (one hundred) Social Housing Units in Meiringspark (behind Shell Ultra City). The municipality is awaiting an official handover of the property by the Province.

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 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, and in this regard no discrimination on any grounds will be allowed.

Only households where the total household income is less than R3 000 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 3 000 PER MONTH									
Year end	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse removal	
		Access	%	Access	%	Access	%	Access	%
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%
2016/17	21 284	21 284	100%	21 284	100%	21 284	100%	21 284	100%

NATIONAL KEY PERFORMANCE INDICATOR

See pages 216 - 217 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 will, however, only be attainable within the financial and administrative capacity of the Council. The Council recognizes the fact that the community has a right of access to basic services, but the community also has an obligation to settle their monthly services accounts.

The Council also recognizes 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:

- ▶ Setting tariffs in terms of the Council’s Tariff Policy which will balance the economic viability of continued service delivery.
- ▶ Determining appropriate service levels

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

The Council realizes that in certain circumstances and as a result of past policies certain services are available to communities, the costs of which are beyond the financial means of such communities, and will through this policy assist those communities within the financial capability 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 is being utilized by Council as a source 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					
Services delivered	2015/16	2016/17			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	10 947	81 820	18 700	18 700	0%
Waste-water (sanitation)	4 538	5 198	11 308	9 002	20%
Electricity	11 553	1 534	17 683	13 102	26%
Waste management (solid waste)	11 357	34 404	18 943	18 943	0%
Total	38 396	122 956	66 634	59 747	

LEVEL OF INDIGENT SUPPORT

The level of indigent support will be as follows:

- Water:** Usage: An indigent subsidy amount equal to the value of 6kl water and thereafter normal tariffs will apply which is payable by the indigent consumer.
Basic Fees: 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 litre 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:** Usage: A maximum indigent subsidy of 50 kWh free of charge and thereafter normal tariffs will apply which the Indigent consumer must pay
Basic fees: An indigent subsidy amount equal to the value of the basic fees as determined by the electricity tariffs
- Property Rates:** 100% of the rates as subsidized by the Property Rating Policy will be subsidized for indigent residents

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 road infrastructure that is of an 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 the City of Matlosana. Furthermore, the roads should be a priority in the promotion of vehicular and pedestrian safety.

3.7 ROADS AND STORM-WATER DRAINAGE

INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

The 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:

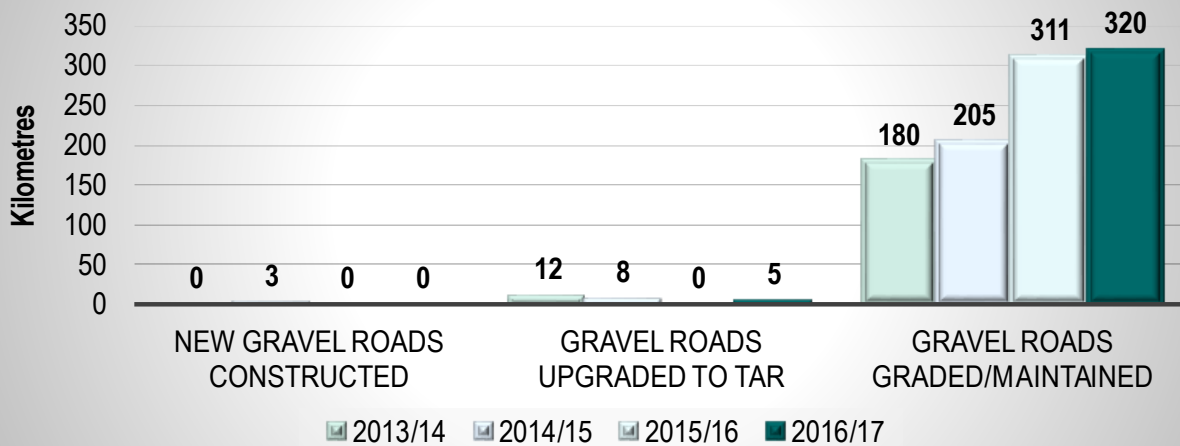
- ▶ ensure effective storm-water and drainage management;
- ▶ provide roads and storm-water infrastructure development and maintenance; and
- ▶ provide safe roads with good readability characteristics.

The 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				Kilometres
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2013/14	425	0	12	180
2014/15	411	3	8	34.86
2015/16	411	0	0	91.93
2016/17	601	0	5	148.12

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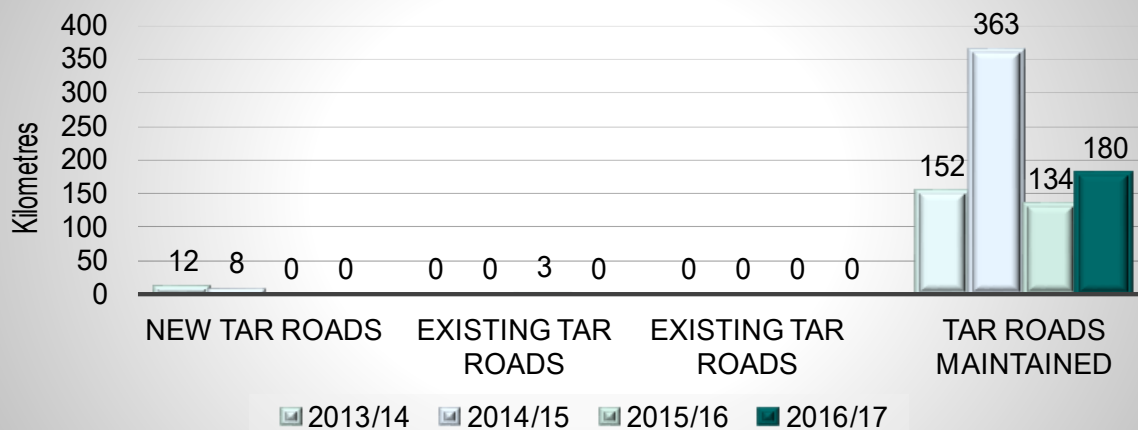
GRAVEL ROAD INFRASTRUCTURE



TARRED ROAD INFRASTRUCTURE

					Kilometres
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2013/14	801	12	0	0	152
2014/15	809	8	0	0	363
2015/16	809	0	3	0	134
2016/17	1 058.15	0	0	0	180

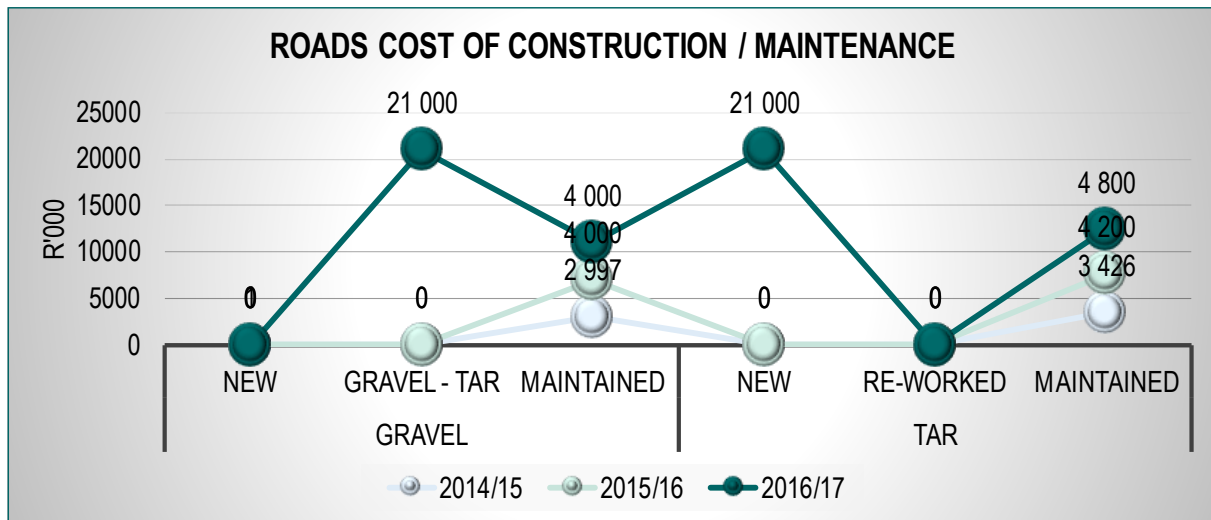
TARRED ROAD INFRASTRUCTURE



ROADS COST OF CONSTRUCTION / MAINTENANCE

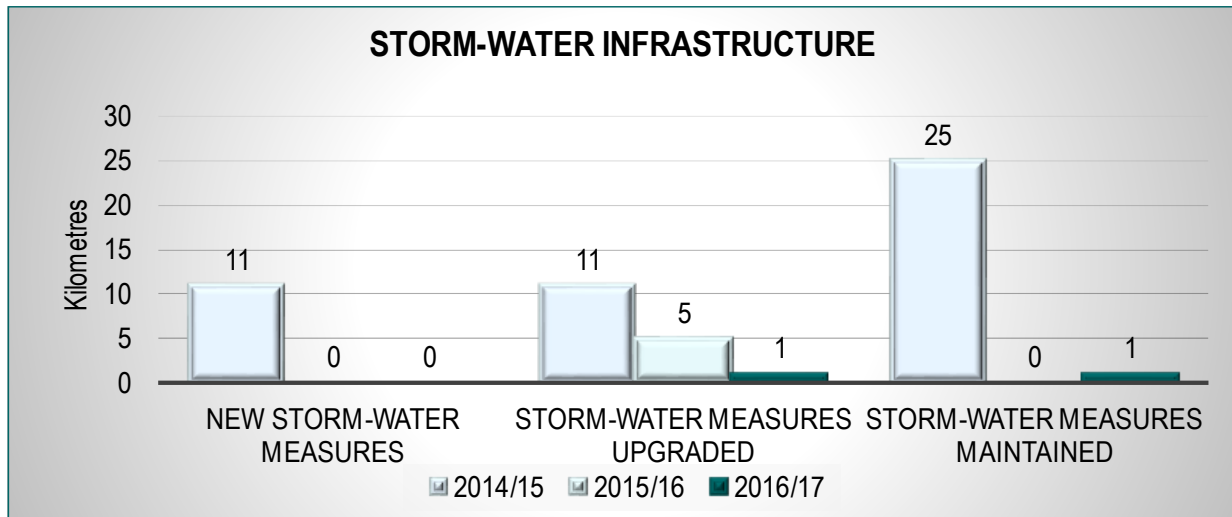
						R' 000
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2013/14	0	41 860	180	41 860	0	152
2014/15	0	0	2 997	0	0	3 426
2015/16	0	0	4 000	0	0	4 200
2016/17	0	21 000	4 000	21 000	0	4 800

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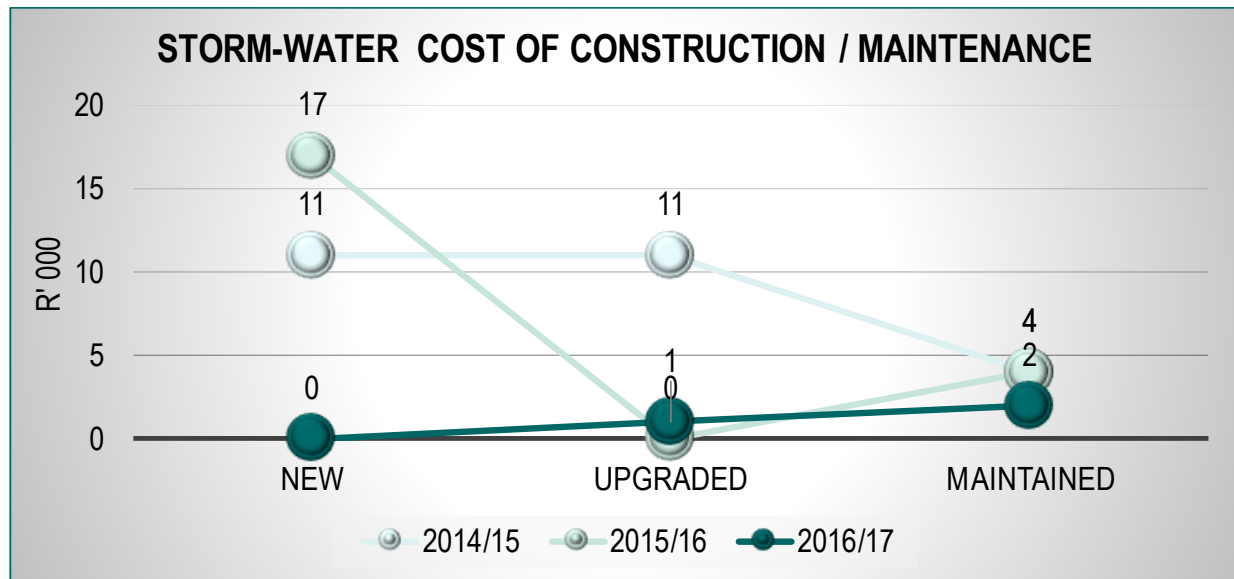
STORM-WATER INFRASTRUCTURE				Kilometres
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained	
2013/14	11	11	15	
2014/15	11	11	25	
2015/16	0*	5	0	
2016/17	0*	1	1	

* Awaiting finalisation of the Roads Master Plan of the City of Matlosana



STORM-WATER COST OF CONSTRUCTION / MAINTENANCE				R' 000
Year	Storm-Water Measures			
	New	Upgraded	Maintained	
2013/14	19	9	2	
2014/15	11	11	4	
2015/16	17	0	4	
2016/17	0	1	2	

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EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	2	2	2	0	0%
7 - 9	9	14	9	5	36%
10 - 12	28	29	23	6	21%
13 - 15	2	4	2	2	50%
16 - 18	22	26	21	5	19%
19 - 20	102	107	106	1	1%
Total	165	183	163	20	11%

FINANCIAL PERFORMANCE 2016/17: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 615	53 457	111 807	2 907	-1 739%
Expenditure					
Employees	36 505	54 652	56 398	54 102	-1%
Repairs and maintenance	10 409	18 518	18 378	14 765	-25%
Other	240 323	151 710	142 968	107 044	-42%
Total Operational Expenditure	287 237	224 880	217 744	175 911	-28%
Net Operational Expenditure	-283 622	-171 423	-105 937	-173 004	

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

The City of Matlosana comprises 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	-	1 058.15 km
▶ Gravel roads	-	601.00 km

More than 85% of all bituminous surfaced and block paved roads are showing 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 townships.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 142; 144 – 145 & 147 - 148)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2013/14	2014/15	2015/16			2016/17
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To upgrade the road system to ensure a better accessibility and beautification for the community	Jabulani Street in Jouberton upgraded	New project	Only 0.75km achieved of 2,2km R13 615 300	Upgrading 1.1 km of Jabulani street in Jouberton by June 2017 R12 500 000	R13 146 608	Upgrading of sidewalks, landscaping, traffic circles and 1.1 km road and installation of street lighting R11 250 085	N/A
To control and direct the flow of storm-water and prevent road erosion	Main storm-water drainage system finalized in Kanana (Phase 1)	New project	Constructing 0.82 km channel. Project completed R5 057 009	Finalizing outstanding reports for the 0.82 km of main storm-water drainage system as per programme in Kanana (Phase 1) by June 2017 R255 209	N/A	Close out report submitted R223 868	N/A
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion	Tigane Paving of Taxi Routes and storm-water Drainage (Phase 8)	New project	0.955km achieved R3 662 199	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage in Tigane (Phase 8) at Albert Luthuli, Matthew Goniwe, RS Kraai, Morebudi and S Mahlangu Streets by June 2017 R6 273 800	R5 931 731	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268	R4 003 557
To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion	Khuma Paving of Taxi Routes and storm-water Drainage (Phase 8)	New project	Constructing 1.5 km channel. Project completed R3 699 596	Paving of 2.1 km taxi route and constructing 2.1 km of storm-water drainage in Khuma (Phase 8) at Marumule and Zakes Tolo Streets by June 2017 R6 273 800	R8 494 511	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326	R3 166 959

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 in terms of the grading of the local examiners operating within their jurisdiction.

Acts and Regulations that govern the Licensing Section

- ▶ National Road Traffic Act and Regulations, 1996 (Act 93 of 1996)
- ▶ Road Traffic Management Corporation (Act 20 of 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, change of particulars of vehicle/ owner, renewal of driver licenses, application and issuing of business, hawkers licences 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 takings by the cashiers with supervision of supervisors.
- ▶ Management personnel reconcile the daily takings, votes, request overpayment of money to province / prodiba (Driving card licensing 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 Licences perform inspections on businesses, hawkers, motor dealers and issue penalties when needed.
- ▶ Examiners for driving licences perform eye tests for renewal of drivers' licences, professional driving permits and when applicants apply to be tested for learners' licences and driving licences. Examiners for driving licences test members of the public for learners' and drivers' licences.
- ▶ Examiners for testing of vehicles inspect the vehicles for roadworthiness and weigh vehicles on the weighbridge scale.

Challenges

- ▶ Since a pay point was opened at the Post Office in April 2014 for the renewal of licences, the revenue and statistics on renewal of vehicle licenses and the Road Traffic Management drastically decreased. A total of 14 160 fewer licences were renewed at the Licensing Department in 2014/15 financial year and an additional 2

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209 fewer were renewed for the 2015/16 financial year. For the year 2016/17 a total of 3 320 fewer were renewed. Licensing services should be promoted but not before additional cashiers and supervisors are budgeted for and appointed to ensure smooth service delivery and prevention of public members flocking to the 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 which constitute 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 31 August 2017 and then the service delivery at the driving sections will become a problem as a backlog on tests will be experienced soon after they leave.
- ▶ The shortage of cashiers and supervisors influences the service delivery. Public members flock to the Post Office to pay their licensing there, resulting in a loss of revenue.

SERVICE STATISTICS FOR LICENSING SERVICES

DESCRIPTION	2014/15	2015/16	2016/17	COST (R'000)
Registration of vehicles	38 673	36 894	35 612	4 387 290
Licensing / renewal of vehicle licences	85 547	83 338	80 018	55 505 225
Issue of permits	5 706	6 684	5 983	613 248
Application and renewal of motor trade plates	202	243	260	168 181
Application and issuing of business licences, hawkers' licences and stands	501	441	533	428 255
Application and issuing of certification of roadworthiness certificates of motor vehicles	1 750	2 040	2 436	514 968
Weigh bridge certificates of vehicles	1 989	2 408	1 000	85 000
Application and issue of learners' licences	13 106	15 246	14 535	1 831 410
Application and issue of drivers' licences	7 602	9 460	9 771	2 298 960
Application for professional driving permits	3 296	3 123	3 612	455 112
Renewal of drivers' licences	12 750	12 482	13 712	3 044 064
Issuing of temporary drivers' licences	7 206	13 018	8 749	468 972
Road Traffic Management Corporation	75 603	72 785	69 899	2 692 182
20% Commission on Registration and Licensing retained		10 370 251	-	10 717 594

Total income directly to Council from Licensing Services is R20 625 764 (Vat Incl.)

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EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time 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	20	23	53%
10 - 12	17	53	24	29	55%
13 - 15	7	18	0	18	100%
16 - 18	3	3	3	0	0%
19 - 20	4	6	3	3	50%
Total	54	125	52	73	58%

FINANCIAL PERFORMANCE 2016/17: LICENSING SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	68 211	81 950	87 713	72 993	-12%
Expenditure					
Employees	15 343	16 553	16 554	16 336	-1%
Repairs and maintenance	234	342	323	223	-53%
Other	53 040	67 462	81 891	45 779	-47%
Total Operational Expenditure	68 617	84 357	98 768	62 338	-35%
Net Operational Expenditure	-406	-2 407	-11 055	10 655	

COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

- ▶ Challenges are experienced in this Division regarding staff rendering efficient services at counters and cashier desks.
- ▶ No long waiting periods for members of the public as to reconstruction of service delivery that has been improved in the KOSH area.
- ▶ Income targets are met.
- ▶ Additional staff such as examiners for drivers' licences and motor vehicles have been appointed, also cashiers to ensure efficient service delivery, but they must still undergo training which is currently in process.
- ▶ Inspections are also done by the Provincial and National Departments with a positive result.

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 Management

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, however funds were requested from the North West Department of Human Settlements and Traditional Affairs.

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 sub-division 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 the SDF plays an important role in motivating land use and development application in Matlosana.
- ▶ Suitable land for township establishment at Khuma due to geological constraints is a problem.

Achievements

- ▶ Spatial Development Framework (SDF) awaiting Council's approval.
- ▶ Implementation of SPLUMA (Spatial Planning Land Use Management Act, 16 of 2013): 100% completed.
- ▶ Implementation of computerised building plan administration through the Orbit system: 60% completed.

Challenges:

- ▶ Need to adjust/increase the travelling allowance of Town Planners and Building Inspectors to 850km / month
- ▶ Shortage of suitable land for township establishment at Khuma due to geological constraints.

Service delivery priorities and impact

- ▶ Township establishment – addressed the housing backlog/ informal settlements.
- ▶ Land use management – issued notices and penalties to transgressors 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	Projects were listed in the IDP and budget requests were made; however, projects were not funded	None

No capital projects were funded by Council through the IDP process for the 2016/17 financial year.

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SERVICE STATISTICS FOR PLANNING

Development planning and building control

DETAIL	2014/15	2015/16	2016/17
Detail of building plans			
▶ Number of building plans approved (excluding low cost housing)	945	804	678
▶ Value of building plans approved	R1 235 160 700	R530 898 500	R411 862 900
Number of applications received for			
▶ Township establishment	4	5	3
▶ Rezoning	62	79	39
▶ Special consent	14	15	11

Building construction

DETAIL	2014/15 R	2015/16 R	2016/17 R
Value of work completed			
▶ Maintenance on buildings	1 725 398	304 732	5 884 838
▶ Capital work			
↳ Departmental	0	0	0
↳ Consultants	0	0	0
↳ MIG	2 174 780	0	0
↳ Arts and Culture Grant	0	0	0
▶ Labour and vehicle cost in respect of maintenance not captured	4 218 474	4 417 467	5 716 875

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Planning application received	5	3	79	39	874	678
Determination made in year of receipt	0	0	68	38	804	678
Determination made in following year	0	2	0	1	0	0
Applications withdrawn	4	1	0	0	0	0
Applications outstanding at year end	1	2	11	0	74	0

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EMPLOYEE INFORMATION

EMPLOYEES: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	2	1	1	50%
4 - 6	12	6	6	0	0%
7 - 9	16	20	17	3	15%
10 - 12	9	15	14	1	7%
13 - 15	9	10	8	2	20%
16 - 18	12	14	12	2	14%
19 - 20	1	1	1	0	0%
Total	60	68	59	9	13%

FINANCIAL PERFORMANCE 2016/17: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 174	5 018	4 861	1 254	-300%
Expenditure					
Employees	12 954	20 627	21 572	21 113	2%
Repairs and maintenance	955	3 949	3 839	3 190	-24%
Other	1 980	12 058	12 479	7 823	-54%
Total Operational Expenditure	15 889	36 634	37 890	32 126	-14%
Net Operational Expenditure	-14 715	-31 616	-33 029	-30 872	

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 and inclusive economies to 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 advantages. Tourism encourages local communities and businesses to respect, invest in and develop local cultures and protect it from over commercialisation and exploitation.

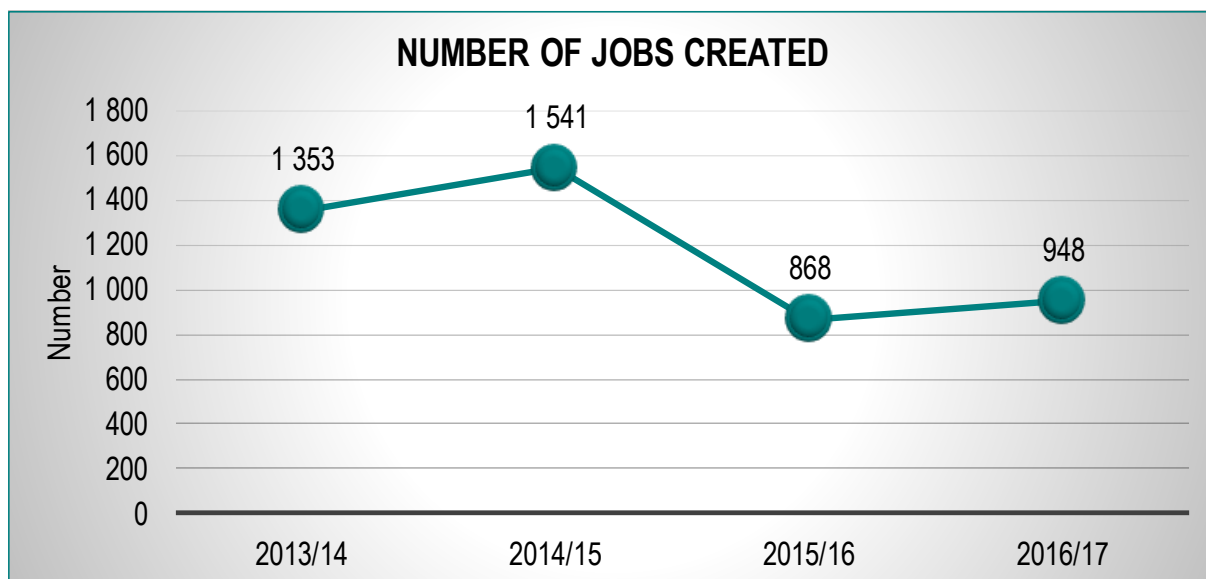
LOCAL ECONOMIC ACTIVITY BY SECTOR				
Sector	No of Jobs			
	2013/14	2014/15	2015/16	2016/17
Agriculture, forestry and fisheries	114	100	35	30
Wholesale and retail trade	220	610	52	0
Infrastructure services	1 133	931	868	948
Total	1 467	1 641	955	978

COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2013/14	0	238
2014/15	14	0
2015/16	12	868
2016/17	13	287
*- Extended Public Works Programme		

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JOBS CREATED DURING 2016/17 BY LED INITIATIVES				
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
2013/14	1 353	0	1 353	In loco inspection
2014/15	1 541	0	1 541	In loco inspection
2015/16	868	0	868	In loco inspection
2016/17	948	0	948	In loco inspection



The continual implementation of the National Government programme on EPWP is generating work opportunities on a short-term basis. The completion of the Matlosana Mall 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

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EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time 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 2016/17: LOCAL ECONOMIC DEVELOPMENT AND FRESH PRODUCE MARKET					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	18 204	45 180	19 986	21 004	1.2
Expenditure					
Employees	13 489	14 940	14 879	14 000	0.1
Repairs and maintenance	2 080	2 652	3 332	2 929	-0.1
Other	10 363	12 748	14 356	349	35.5
Total Operational Expenditure	25 932	30 340	32 567	17 278	0.8
Net Operational Expenditure	-7 728	14 840	-12 581	3 726	

COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated funding for the following developments:

- ▶ The establishment of the Enterprise Development Centre in Orkney.
- ▶ The implementation of the Neighbourhood Development Partnership Grant (Township Renewal Project) in Jouberton.
- ▶ Small Town Regeneration in Stilfontein

The following programmes have been implemented:

- ▶ Land audit
- ▶ CBD revitalisation

NATIONAL KEY PERFORMANCE INDICATOR

See page 218 for details.

Chapter 3

INTRODUCTION TO COMMUNICATION AND MARKETING

Communications and Marketing promote democracy and encourage 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 and the significance of communicating and promoting government programmes to communities in and around Matlosana is highlighted. The District, Provincial, national and international stakeholders all play a role.

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* principles
- ▶ Promote transparency within the municipality
- ▶ Adopt 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 with Communication and Marketing Policies

Description of Communication and Marketing structure

- ▶ Media relations.
- ▶ Communication research.
- ▶ Marketing and branding.
- ▶ Outdoor advertising.
- ▶ Outreach and event co-ordination.

Communication and Marketing mechanisms

- ▶ Outreach programmes
- ▶ Stakeholder meetings
- ▶ Electronic and print media
- ▶ Posters, brochures, banners and fliers
- ▶ Media information sessions
- ▶ Outdoor advertising
- ▶ Loud hailing
- ▶ Municipal meetings
- ▶ Municipal website and newsletters
- ▶ Local Communicators' Forum

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SERVICE STATISTICS

NEWSLETTERS		DISTRIBUTION	
▶ Internal newsletters		Six electronic newsletters	
▶ External newsletters		Five external newsletters	

Adopted policies

- ▶ Communication strategy
- ▶ Media relation policy
- ▶ Corporate identity/branding policy
- ▶ Outdoor advertising policy and by-laws

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 currently number 8 in terms of ranking of markets in South Africa.

The MNFPM has several stakeholders namely:

- ▶ Customers - communities of Matlosana and surrounding towns, as well as customers from as far away as Botswana and Kimberley;
- ▶ Market agents - who sell products on behalf of farmers on the market floor;
- ▶ Farmers - who supply the produce to be sold at the market; and
- ▶ Council employees - they provide a management and administrative function to the market.

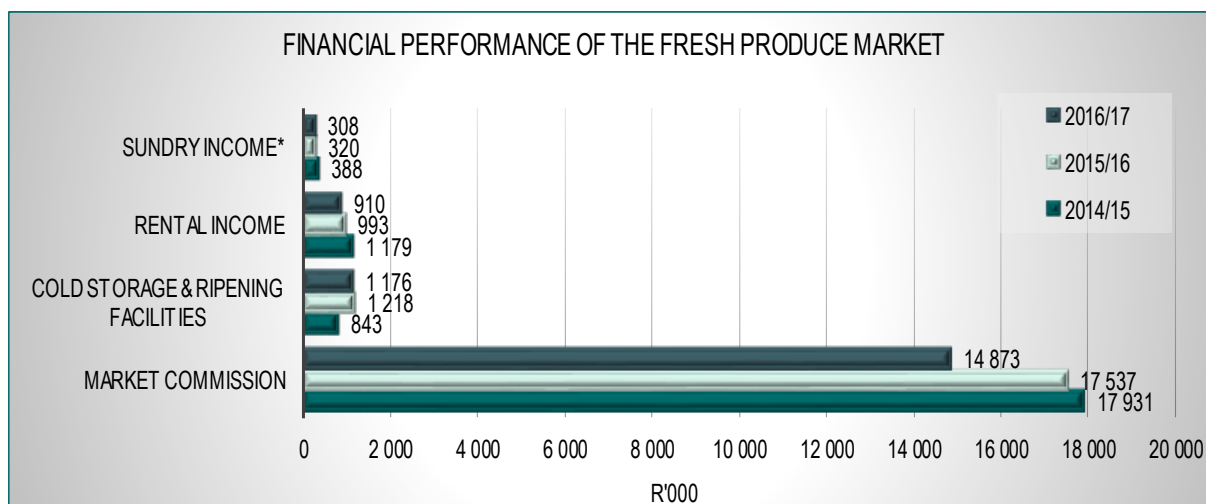
Job creation:

- ▶ Market Agents - The MNFPM has five (5) market agents trading from the floor with a staff complement of 120 permanent employees among them;
- ▶ Porters - The MNFPM currently has 110 porters operating on the floor. They represent the informal / indirect employment as a spin-off from the market activities; and
- ▶ SMMEs - Emerging and Small-scale Farmers - The MNFPM currently has a programme 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	2014/15	2015/16	2016/17
	R	R	R
Market commission	14 873 374	17 537 969	17 931 302
Cold storage and ripening facilities	1 176 176	1 218 461	843 745
Rental income	910 766	993 508	1 179 014
Sundry income*	308 327	320 917	388 061

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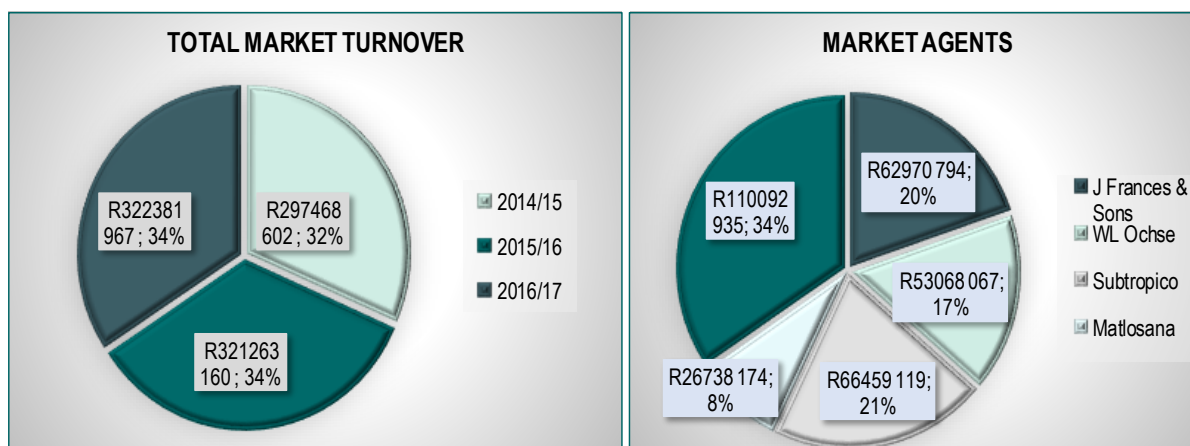


*Sundry income includes trolley rental, surplus cash, commission on levies, selling transactions, buyer cards and interest banking.

Total turnover

MONTH	2014/15 R	2015/16 R	2016/17 R	DIFFERENCE R
July 2015	25 598 301	22 952 766	25 727 780	2 775 013.66
August 2015	24 909 881	21 781 966	25 254 934	3 472 967.99
September 2015	26 019 355	23 456 259	25 423 546	1 967 286.80
October 2015	28 988 195	26 490 443	28 010 398	1 519 955.45
November 2015	28 669 982	27 381 652	30 734 783	3 353 130.67
December 2015	25 819 056	31 169 074	30 450 763	-718 311.35
January 2016	22 168 911	27 183 514	25 637 550	-1 545 963.98
February 2016	22 105 687	28 259 901	24 176 190	-4 083 711.23
March 2016	25 430 467	31 244 238	28 532 348	-2 711 890.02
April 2016	23 442 561	30 288 611	24 743 317	-5 545 293.73
May 2016	22 720 182	24 843 786	28 089 183	3 245 397.30
June 2016	21 596 025	26 210 950	25 601 176	-609 774.22
TOTAL	297 468 602	321 263 160	322 381 967	1 118 807.34

The total turnover for 2016/17 was R322 381 967.



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Market agents

MARKET AGENT	2015/16 GROSS SALES R	2016/17 GROSS SALES R	% GROSS SALES	M² FLOOR SPACE ACCORDING TO GROSS SALES
J Frances and Sons	65 449 808	62 970 794	19.72	2 441.34
WL Ochse	53 305 206	53 068 067	16.62	2 864.64
Subtropico	58 844 006	66 459 119	20.81	2 161.92
Matlosana	35 736 221	26 738 174	8.37	1 635.28
Garfield	107 927 714	110 092 935	34.48	3744
TOTAL	321 262 954	319 329 090	100	12 847.18

EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	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	11%
16 - 18	2	4	2	2	50%
19 - 20	13	14	13	1	7%
Total	37	44	37	7	16%

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Turnover

The market is controlled by different market forces of demand and supply; therefore, the turnover is not static. With reference to the above-mentioned table of annual turnover rates, the market is performing well during the months of July to November as opposed to the months of December to April. One of the reasons causing that is the oversupply of watermelons, potatoes, peaches and tomatoes that pull down prices (comparing the 2015/16 figures shows that the market has a positive balance).

Cold/ripening rooms

During the winter season, the cold room supplies are left on the floor and not put in the cold room and as a result, the cold room income drops. Most of the cold rooms were not functioning optimally, but fortunately it was possible to have repairs done, so hopefully the market will report a favourable cold room income in the future.

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Carriage income

This is the income derived from the leasing of pallet jags to the customers. This income has improved because of the new approach established. The only problem is the maintenance and repairs now and then. The market anticipates purchasing more pallet jags.

Rental income

This is the income that is derived from the leasing of shops, stores and offices and that makes the market a one-stop centre. Some lessees are paying and others not. The debt-collection section has been established as a result. Under the circumstances the market is doing very well in that regard.

Summary

Generally, in terms of the going concern principle, the market is doing very well under very difficult circumstances and it should be noted that the market is not profit orientated, but food security orientated. It is an added service that the municipality provides to the community.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 145)

FRESH PRODUCE MARKET OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2014/15	2015/16	2016/17			2017/18
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To upgrade the market hall to ensure efficient service delivery to producers	National Fresh Produce Market in Klerksdorp upgraded	New project	New project	Upgrading of National Fresh Produce Market in Klerksdorp by June 2017 R4 624 300	N/A	One discard room completed. Five market shelters constructed. Electrical equipment installed R4 211 848	N/A

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 programmes 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 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 strives to provide educational support for those who want 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	2014/15	2015/16	2016/17
Educational programmes			
▶ Library awareness programmes	169	193	215
▶ Library interest events	53	55	57
▶ Programmes attended by youth and adults	7 385	6 834	8 484
▶ Photocopies made	916 666	1 005 583	876 030
▶ Books and items circulated	328 527	300 754	246 635
▶ Enquiries	25 965	39 532	28 259

The following libraries are available in the Matlosana area:

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▶ 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
▶ Matlosana Library	018 465 3030
▶ Tigane Library	018 487 8891
▶ Orkney Library	018 487 8210
▶ Stilfontein Library	018 487 8292
▶ RN Thulo Library (Ext. 8 Khuma)	018 487 8660
▶ Umuzimuhle Library (Vaal Reefs)	018 487 8237

COMMENT ON THE PERFORMANCE OF LIBRARIES

The DORA Grant to the amount of R400 000 was spent on repairs to library furniture and equipment, purchasing of new furniture and equipment for all libraries, stationery, new air conditioners at Klerksdorp and Manzilpark Libraries, new blinds at Rebecca Nkae Thulo Library, painting of carport, fence and gate at Stilfontein Library awareness programmes, and training of staff.

The Equitable Share Grant to the amount of R700 000 was used to upgrade and renovate the Matlosana Library (Jouberton). The funds were spent on the repairing of the roof, upgrading of electricity, replacement of lights, painting of building, upgrading of ablution facilities, new carpets, new reception desk, and purchasing of a variety of furniture.

The 2015/16 roll-over amount of R600 000 was used to purchase three vehicles, one each for Orkney region, Stilfontein Region and the Klerksdorp region.

The 12 libraries presented 663 educational toy sessions, library interest events and awareness programmes and were attended by 8 484 attendees. The photocopying service was in high demand and the study facilities at all the libraries were occupied to full capacity.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 150)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service objective	Service indicators	2014/15	2015/16	2016/17			2017/18
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To address shortcomings by improved library services and maintenance	Shortcomings at various libraries improved according to the approved project business plan	Various purchases and summary of expenditure available at main library R202 471	Material needs of main and branch libraries purchased (Business plan on POE file) R308 134	Improving shortcomings at various libraries according to the approved project business plan by June 2017 R400 000	N/A	Various repairs, purchases and projects e.g. Stationery, Awareness projects, etc. R351 307	R400 000
To address shortcomings by improving library services and maintenance	Supplementary improvements of library services done	New project	Failed to purchase vehicle for libraries R0	Improving supplementary library services according to the approved project business plan by June 2017 - R700 000	N/A	Jouberton library renovated - see business plan R645 844	R800 000

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INTRODUCTION TO MUSEUMS

The service rendered by the Museums and Heritage Section is aligned with the National Development Plan with specific reference to Government's Outcome 14 of the Medium Term Strategic Framework - "transforming society and uniting the country" by achievement of equal opportunities, of inclusion and redress; and the promotion of social cohesion. We contribute by creating opportunities to honour and celebrate our collective heritage by promoting our diverse cultural identities. We protect, preserve and promote the Heritage Resources of the city to depict the heritage of our people.

The areas of business are:

- ▶ Main Museum housed in the Old Jail with 16 permanent exhibitions and a Museum Shop.
- ▶ Period 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	2014/15	2015/16	2016/17
MUSEUM EDUCATION			
▶ Education programmes presented	99	116	114
▶ Lifelong learning classes presented	36	33	41
MUSEUM COLLECTIONS			
▶ Maintenance and care of objects	2 000	7 500	2740
▶ Digitised collection documentation	1 323	675	1480
MUSEUM EXHIBITIONS			
▶ Temporary exhibitions presented	-	7	7
▶ Existing exhibitions maintained	6	20	20
▶ Topics researched	21	2	0
COMMUNITY PARTICIPATION			
▶ Consultation sessions	106	133	135
HERITAGE AWARENESS			
▶ Heritage awareness events	10	11	11
Expenditure		R150 129	R128 595

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EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	9	6	3	33%
10 - 12	9	14	9	5	36%
13 - 15	37	43	37	6	14%
16 - 18	17	15	15	0	0%
19 - 20	1	1	1	0	0%
Total	75	86	72	14	16%

FINANCIAL PERFORMANCE 2016/17: LIBRARIES AND MUSEUM					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 190	1 828	1 808	1 646	-11%
Expenditure					
Employees	14 367	15 832	15 842	12 706	-25%
Repairs and maintenance	538	734	796	592	-24%
Other	21 614	21 765	6 857	8 059	-170%
Total Operational Expenditure	36 519	38 331	23 495	21 357	-79%
Net Operational Expenditure	-35 329	-36 503	-21 687	-19 711	

COMMENT ON THE PERFORMANCE OF THE MUSEUMS OVERALL

The core functions of the Museums and Heritage Section are preserving, documenting and interpreting collections and heritage resources.

Access to collections, exhibitions and sites is encouraged by educational outreach programmes. These programmes, promoting the value of our diverse heritage and adding dimension to curriculum-related topics, were supported by 114 schools and Care Centres of the Dr Kenneth Kaunda District. Three brochures were compiled and are distributed to visitors. The total number of visitors to the Museums and Goudkoppie Heritage Hill during 2016/17 was 19 323.

Temporary exhibitions provide redress in terms of inclusivity and were not only exhibited at the Museum but also at the Potchefstroom and Mahikeng Museums, local schools and in the city gardens during the 2016 Cultural Fair.

Cultural community events promote heritage awareness and poetry, art and interactive dialogue programmes promote active citizenship and living history amongst the youth. The Matlosana Schools Art Festival, where 11 schools competed in traditional dance and poetry, celebrated the National Heritage Month 2016. An interactive

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programme with the Department of Correctional Services when a video on jail life was shot at the Museum promoted social cohesion. The video will be utilized towards the Museum's Crime Prevention programme presented to learners.

Support given by the North West Department of Culture, Arts and Traditional Affairs is acknowledged. The grant from DCATA to the amount of R250 000 was utilized to procure a vehicle, computer and other logistics. Community outreach in the form of an Interactive Dialogue programme was also made possible by the grant.

3.13 CEMETERIES

INTRODUCTION TO CEMETERIES

The City of Matlosana is responsible to manage and maintain 26 cemeteries with a surface footprint of ± 545 hectares. The new Alabama cemetery consists of 45 hectares. The management includes 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	2014/15	2015/16	2016/17
▶ Burials	3 285	3 064	2 975
↪ Adults	2 899	2 253	2 138
↪ Children	394	332	312
↪ Re-openings	462	479	525
▶ Memorials	878	848	516
Expenditure	R10 970 024	R11 746 350	R 12 135 272
Income	R1 390 143	R1 402 620	R 1 521 130

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EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
7 - 9	2	2	1	1	50%
10 - 12	10	13	10	3	23%
13 - 15	3	5	3	2	40%
16 - 18	3	5	3	2	40%
19 - 20	34	37	37	0	0%
Total	52	63	54	9	14%

FINANCIAL PERFORMANCE 2016/17: CEMETERIES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 617	1 728	1 683	1 528	-13%
Expenditure					
Employees	8 979	10 034	10 574	3 015	-233%
Repairs and maintenance	676	459	660	430	-7%
Other	1 422	1 648	1 492	7 364	78%
Total Operational Expenditure	11 077	12 141	12 726	10 809	-12%
Net Operational Expenditure	-9 460	-10 413	-11 043	-9 281	

COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

An Environmental Impact Assessment commenced for the new Alabama cemetery (North, in extension 3). Three containers with ablution facilities were erected at the regional cemetery (Kanana and Jouberton) and the Tigane new cemetery.

Challenges

- ✎ Equipment is old and breaks down frequently which needs crisis intervention more often.
- ✎ Lack of funding for fencing new cemeteries

Measures taken to address the challenges indicated:

- ▶ Promotion of alternative burial methods such as cremation
- ▶ Re-use of 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 island beautification has commenced with three phases completed and the Jabulani corridor landscape has been completed. The annual arbour event benefited a farm 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:

- ✎ improve the surrounding environment within the community and urban spaces with regard to greening;
- ✎ beautification of Matlosana open spaces, conservation and protection of bio-diversity areas; and
- ✎ promotion of 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 and flora and to promote local tourism in the region.

The City of Matlosana will go into partnership with provincial department (Directorate: Empowerment services) to utilize the Environmental Education Centre, it will benefit the community in the following ways by:

- ✎ Educating the community on biodiversity awareness.
- ✎ Creating jobs for SMMEs (tour guides, catering, transport etc.).
- ✎ Promoting local tourism.
- ✎ Attracting future investment.

► Challenges

- ✎ Lack of funding for new cemetery infrastructures (fencing and paving of cemetery routes).

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SERVICE STATISTICS FOR PARKS, FAAN MEINTJES AND AERODROME

INDICATOR	2014/15	2015/16	2016/17
AERODROME - Aerodrome – cut grass Expenditure	1 R5 137	1 R5 000	1 R 4 640
NATURE RESERVE			
▶ Day visitors	4 490	3 323	3 047
▶ Vehicles / Buses	1 298	971	939
▶ Accommodation and functions	451	344	222
Expenditure	R728 615	R712 380	R1 800 000
Income	R290 346	R213 759	R187 785
TREES - Trimmed	3 846	4 029	3 546
AUCTION KRAALS - Total auctions	49	48	49

* Includes surplus game sold

EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE , ORKNEY VAAL & AERODROME					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	0	1	0	1	100%
4 – 6	2	2	2	0	0%
7 – 9	7	10	8	2	20%
10 - 12	9	11	6	5	45%
13 - 15	33	40	30	10	25%
16 - 18	25	30	23	7	23%
19 - 20	120	125	115	10	8%
Total	196	219	184	35	16%

FINANCIAL PERFORMANCE 2016/17: PARKS, FAAN MEINTJES NATURE RESERVE, ORKNEY VAAL AND AERODROME					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 884	2 467	2 700	3 283	25%
Expenditure					
Employees	32 537	32 695	32 695	31 700	-3%
Repairs and maintenance	4 273	3 783	4 945	2 518	-50%
Other	9 758	12 097	12 476	252	-4 700%
Total Operational Expenditure	46 568	48 575	50 116	34 470	-41%
Net Operational Expenditure	-43 684	-46 108	-47 416	-31 187	

COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL

In comments on the 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: OCCUPATIONAL HEALTH CENTRE

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 populations in their places 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 hazards. 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 indigents' relief for Local Municipalities 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 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 the new organogram it will help with the smooth running and even the proper building of a structure for such a purpose as is the case with other benchmarked municipalities.
- ▶ Obtaining the budget for the new Occupational Health Unit meant a lot of scrutiny to clarify the legality and sustainability thereof.
- ▶ Lack of transport due to the vehicle that is always taken in for repairs as it is old.
- ▶ Lack of capital budget to purchase required equipment and supplies.
- ▶ Most of the service providers refuse to work with the municipality due to delayed payment.

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).

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KPAs of an Occupational Health Service

- ▶ Health promotion
- ▶ 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	2014/15	2015/16	2016/17
Head count to the centre	1 329	1 329	548
Head count at the clinics	-	-	479
Meetings	30	24	26
Hepatitis vaccinations	-	185	224
Health promotions	3	8	7
Flu vaccinations	72	0	0
HIV/AIDS statistics	2014/15	2015/16	2016/17
Screened	103	103	41
Counselled	103	103	41
Tested	69	69	41
Non-reactive	34	34	41
Reactive	1	1	0
Referred for ARV	1	1	0
Blood samples taken	3	3	0
On treatment	15	15	0
TB statistics	2014/15	2015/16	2016/17
Screened	39	39	139
Sputum collected	35	35	62
Negative	30	30	62
Positive	5	5	0
Referred to clinic	5	5	0
Family planning	2014/15	2015/16	2016/17
Injectable	219	191	89
Oral contraceptives	98	96	65
Male condoms (departments)	1 420	1 420	1 640
Female condoms	57	57	30
Pap smears	1	1	0
Implant	1	1	0

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CHRONIC DISEASES			
HBP / Diabetes	2014/15	2015/16	2016/17
Total patients seen	271	171	99
New diagnosis	60	60	52
Referred to hospital	3	3	6
Uncontrolled	3	3	17
On treatment	60	60	23
Defaulter	3	3	1
MINOR AILMENTS	2014/15	2015/16	2016/17
Total patients seen	476	376	153
New diagnosis	29	29	0
Referred to hospital	1	1	13
On treatment	6	6	0
INJURY ON DUTY	2014/15	2015/16	2016/17
Total patients seen	24	24	54
New diagnosis	24	24	52
Referred for treatment	-	-	52
Referred to hospital	20	20	50

REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2014/15	2015/16	2016/17
Indigents			
▶ Adults	65	46	33
▶ Children	4	5	1
▶ Babies	21	23	27
Expenditure	R230 416	R179 559	R169 949

REPORT ON INJURY ON DUTIES 2016/17

Request for re-opening of file = 02

New accidents/incidents reported = 52

Final medical reports/resumption reports = 26

Fatal claims = 0

COMMENTS ON INJURIES

It has been discovered that the campaign is bearing fruit and that employees are now reporting injuries even minor ones that can be attended to at the OHC. The number of injuries is still minimal. No major new injuries have been reported. The COIDA sick leave days are calculated separately from the normal sick leave, thus making it difficult for the unit to capture as the PAYDAY does not cater for such days which OHC does not have access to.

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EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time 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 2016/17: OCCUPATIONAL HEALTH SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	44	318	318	97	-228%
Expenditure					
Employees	4 067	4 397	4 397	4 508	2%
Repairs and maintenance	9	44	44	3	-1 367%
Other	714	5 189	6 583	4 140	-25%
Total Operational Expenditure	4 790	9 630	11 024	8 651	-11%
Net Operational Expenditure	-4 746	-9 312	-10 706	-8 554	

COMMENTS ON THE PERFORMANCE OF OCCUPATIONAL HEALTH CENTRE OVERALL

The general performance of the OHC went down tremendously due to the Council resolution (ITEM 4.4 dated SPCC 05/07/2016).

This resulted in health personnel being stressed, insecure and with low morale which makes it difficult to function.

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 48 campaigns were conducted in the 2016/17 financial year.

Traffic fines

The core function of this section is the execution of road safety and to attend to road traffic offences. An income to the amount of R1 017 961 was generated in the 2016/17 financial year.

Multi-road blocks

The function for multi-road blocks is road safety and to ensure free traffic flow. Fifteen road blocks were done within the Matlosana area in conjunction with the SAPS and Commandos.

Administration logistics

An income to the amount of R939 900 was generated in the 2016/17 financial year.

TRAFFIC SERVICE DATA			
Details	2014/15	2015/16	2016/17
	Actual No		
Number of road traffic accidents during the year	3 916	3 574	3 858
Number of by-law infringements attended to	8 846	6 400	2 862
Number of police officers in the field on an average day	44	44	42
Number of police officers on duty on an average day	60	60	47

SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2014/15	2015/16	2016/17
Traffic violations			
Section 56 summonses			
▶ Other	9 518	18 155	11 880
Section 341 Notices			
▶ Other parking offences	8 846	6 400	2 862
▶ Cameras: speed and robot	28 004	-	-
TOTAL	46 368	24 555	14 933
Total income from Traffic Court			
▶ Admission of guilt paid (criminal)	142 650	165 150	64 500
▶ Court fines	165 150	200 950	535 000
▶ Provincial court fines	126 503	7 750	12 300
TOTAL	434 303	373 850	12 899 500
Summons issued			
Section 56 summonses issued – traffic officers	9 518	18 155	11 880
TOTAL	9 518	18 155	11 880

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Cases withdrawn by senior public prosecutor as a result of representations			
▶ Section 56 summonses	136		368
▶ Section 341 Notices	292		170
▶ Camera cases	879		112
TOTAL	1 307	449	650
Admission of guilt			
Magistrate's Court	308 800	407 250	590 050
Matlosana Traffic Court			
▶ Contempt of court	139 800	344 900	146 400
▶ Warrants of arrest	530 100	1 069 700	447 400
At Traffic Department			
▶ Section 56 summonses	854 220	1 556 170	939 900
▶ Section 341 Notices	-	-	-
TOTAL	1 832 920	3 378 020	2 123 750
Total income per annum			
Traffic fines	1 832 920	3 378 020	2 123 750
▶ Accident reports	10 142	31 790	36 294
▶ Income from parking grounds	0	200	198
▶ Escort fees: Abnormal loads	2 394	79 050	73 839
▶ Temporary closing of streets	96 858	46 157	43 643
TOTAL INCOME	1 942 314	3 535 217	2 277 724
Arrests (driving while under the influence of intoxicating liquor)			
▶ Males	447	314	79
▶ Females	0	0	17
TOTAL	447	314	96
Escorts / special services rendered			
▶ Abnormal loads	231	179	81
▶ Funerals	259	197	201
▶ Fun runs / road races / cycle races	12	4	17
▶ Street festival	1	1	1
▶ Street braai / street closure	50	50	161
TOTAL	553	431	461

EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	2	1	1	50%
4 - 6	3	3	3	0	0%
7 - 9	14	16	12	4	25%
10 - 12	59	62	57	5	8%
13 - 15	12	13	12	1	8%
16 - 18	21	27	21	6	22%
19 - 20	46	52	43	9	17%
Total	157	175	149	26	15%

FINANCIAL PERFORMANCE 2016/17: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	13 686	91 246	96 180	10 706	-752%
Expenditure					
Employees	35 833	34 243	34 243	32 951	-4%
Repairs and maintenance	1 709	5 070	5 058	1 604	-216%
Other	31 430	144 394	162 988	16 632	-768%
Total Operational Expenditure	68 972	183 707	202 289	51 187	-259%
Net Operational Expenditure	-55 286	-92 461	-106 109	-40 481	

COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done by means of road blocks and execution of warrants of arrest.

Plenty of challenges were experienced by the Traffic and Security Division. The contract of the service provider that supplied the speed camera equipment and equipment to assist with the execution of warrant of arrests was terminated. This included the system used for the capturing and processing of all traffic offence documents.

Due to the non-availability of sufficient patrol vehicles the Traffic and Security Division still managed to attend to complaints and render a service to the community; this includes also the services rendered by the Technical Section and challenges experienced there.

With all these challenges the division still managed to attend to the most critical and problematic areas. Performance was good overall, if taken into account the limited resources available.

3.17 FIRE AND DISASTER MANAGEMENT

INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

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

The section is operating with three fire stations, namely Klerksdorp, Orkney and Hartbeestfontein. Stilfontein Fire Station remains closed.

The Disaster Management competency is getting full political support and Councillors wait to see Disaster Risk Management come to its fullest potential. Currently there is one official 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-nine (39) wards. The section assists with blankets and mattresses, tents and capturing of incidents in the form of reports and photo's as proof of evidence (POE).

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There is a need to appoint two additional Disaster Officers to assist with PIER and Disaster Risk Assessments in Matlosana.

FIRE SERVICES

Service delivery priorities:

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

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 it is necessary to "write off" accounts for indigent people.
- ▶ Assistance with supporting letters for insurance claims.
- ▶ Assistance to the community by engaging with sector departments (such as Home Affairs, SASSA, Social Welfare, SAPS and Environmental Health).
- ▶ Managed to purchase two rescue vehicles
- ▶ National Disaster Management centre donated 16 000 litre water tanker to Matlosana Fire and Rescue.

SERVICE STATISTICS FOR FIRE SERVICES

FIRE SERVICE DATA				
Details	2014/15	2015/16	2016/17	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	691	539	480	591
Total of other incidents attended in the year	3 316	3 309	3300	3807
Average turnout time - urban areas	3 to 5 min	3 to 5 min	3 to 5min	3 to 5min
Average turnout time - rural areas	7 to 10 min	7 to 10 min	7 to 10min	7 to 10min
Firefighters in post at year end	56	56	55	55
Total fire appliances at year end	6	6	8	8
Average number of appliances off the road during the year	9	9	5	5

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DESCRIPTION	2014/15	2015/16	2016/17
Fire suppression	273	249	235
Public education	13	16	16
Building plans	978	851	674
Site inspections – new	25	21	7
Site inspections – re-inspections	4	1	0
Flammable liquid registrations	86	74	93
Fire hydrant maintenance/inspection	31	385	474
Grass fires	411	283	356
Training	0	17	1
Trade licences	167	240	125
Transport permits	243	184	87
Complaints	1	2	0
Pre-burn inspections	6	0	0
Pre-burns	7	7	4
Rescues	155	137	206
Building inspections	916	842	898
People trained	1 872	416	593

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

- ▶ Assessing risks in the area and determine the vulnerability of the community of City of Matlosana;
- ▶ Mitigating these risks and integrating them into the IDP to reduce vulnerability;
- ▶ Providing public information education and relations;
- ▶ Writing Disaster Risk Management contingency plans;
- ▶ Co-ordinating safety at events; and
- ▶ Providing disaster response and disaster relief operations.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

DESCRIPTION	2014/15	2015/16	2016/17
Number of events	38	31	21
Social relief (fire)	74	92	156
Explosion	1	0	0
Fatalities	4	0	0
Public information, education and relation	16	20	16
Blankets	183	91	317
Mattresses	122	79	132
Tents	-	-	12
Social relief (other incidents) sinkholes, windstorms, floods	-	-	108
Total number of households affected	-	-	264

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EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time 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	19	6	24%
10 - 12	8	23	8	15	65%
13 - 15	36	39	35	4	10%
16 - 18	1	1	1	0	0%
19 - 20	5	5	5	0	0%
Total	74	98	72	26	27%

FINANCIAL PERFORMANCE 2016/17: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	136	395	395	147	-169%
Expenditure					
Employees	24 591	27 552	27 552	29 417	6%
Repairs and maintenance	1 266	1 450	1 385	1 284	-13%
Other	2 924	-2 057	2 465	-260	-691%
Total Operational Expenditure	28 781	26 945	31 402	30 441	11%
Net Operational Expenditure	-28 645	-26 550	-31 007	-30 294	

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

No capital budget for fire and disaster management.

COMPONENT H: SPORT AND RECREATION

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

3.18 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The Sports 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.

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The main service delivery priorities are:

- ▶ Maintenance and preparation of all sports facilities (25 stadiums, 4 swimming pools, 1 golf course);
- ▶ Talent identification;
- ▶ Sport promotion; transformation of sport;
- ▶ Local economic development;
- ▶ Women's capacity development;
- ▶ National unity;
- ▶ Facilitation of 27 lease contracts;
- ▶ Club development; and
- ▶ Sports tourism development.

Sporting Events:

- ▶ Easter Tournament
- ▶ 16 June Tournament
- ▶ World Day for children
- ▶ Special days programmes
- ▶ Sport against crime and gangsterism
- ▶ Sports Merit Awards
- ▶ PSL matches

SERVICE STATISTICS FOR SPORT AND RECREATION

INDICATOR	2014/15	2015/16	2016/17
Swimming pools			
▶ Gala events	1	0*	1
Expenditure	R50 000	R50 000	R 110 000
Income	R43 061	R44 093	R 72 254
Recreation			
▶ Total major events	6	1	5
Expenditure	R47 000	R70 122	R 85 740
Sports Merit Awards Expenditure 2 x PSL GAMES			
▶ Free State Stars vs. Kaizer Chiefs			
Expenditure	-	R1 138 018	R 1 136 965
Income	-	R351 093	R 352 000
▶ Free State Stars vs. Maritzburg United			
Expenditure	-	R753 239	R 753 239
Income	-	R15 188	R 15 188
▶ Free State Stars vs. Mamelodi Sundowns			
Expenditure	-	-	R 1 106 402
Income	-	-	R 75 133
▶ Free State Stars vs. Orlando Pirates			
Expenditure	-	-	R 1 157 325
Income	-	-	R 206 591
▶ Free State Stars vs. Orlando Pirates (Nedbank Cup)			
Expenditure	-	-	R 156 818
Income	-	-	R 47 850

* Gala Event was moved to Rustenburg

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COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

- ▶ Hosted PSL Games at Oppenheimer Stadium
- ▶ Hosted June 16 Tournament
- ▶ Conducted Matlosana Sports Merit Awards
- ▶ School Sports Development Holiday Programmes

EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	4	2	2	50%
10 - 12	13	24	13	11	46%
13 - 15	13	31	12	19	61%
16 - 18	10	12	8	4	33%
19 - 20	55	60	56	4	7%
Total	95	133	93	40	30%

FINANCIAL PERFORMANCE 2016/17: SPORT AND RECREATION					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	219	460	430	526	13%
Expenditure					
Employees	15 845	16 612	16 398	17 817	7%
Repairs and maintenance	3 466	1 208	6 178	5 641	79%
Other	33 811	42 524	61 820	53 738	21%
Total Operational Expenditure	53 122	60 344	84 396	77 196	22%
Net Operational Expenditure	-52 903	-59 884	-83 966	-76 670	

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 145 & 147)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2014/15	2015/16	2016/17			2017/18
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To construct a new sports complex in Khuma Township to cater for other sporting codes	New Sports Complex in Khuma constructed	New project	New project	Constructing a series of buildings, pavilion, multipurpose hall, caretaker quarters and the guardhouse, Building of a series of sports fields namely; artificial soccer fields, tennis courts, volleyball field, netball field and basketball, all weather courts. A concrete palisade fence will be built around the field as a boundary and there will be one controlled access to the sports complex R3 294 000	N/A	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474	R10 951 678
To upgrade the existing sports complex in Jouberton and to cater for other sporting codes	Athletic track and field at the Matlosana Stadium Jouberton constructed	New project	New project	Constructing the athletic track and field as per scope at the Matlosana Stadium in Jouberton by June 2017 R5 299 650	N/A	Construction of a tartan track still underway. Upgrading of electrical works completed R 4 648 180	N/A

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 adequate 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, 108 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the City of Matlosana was 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 is 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

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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

DETAIL	2014/15		2015/16		2016/17	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	6	1	5	1	6	3
Corporate Governance	6	1	5	0	6	1
Transversal Issues	6	1	5	0	6	0
Infrastructure	6	1	5	0	6	1
Public Safety	6	2	5	0	6	1
Community and Health Services	6	1	5	0	6	0
Economic Growth and Market	6	1	5	0	6	1
Electrical Engineering	6	1	5	0	6	0
Housing, Land Affairs and Rural Development	6	3	5	3	6	4
Sport, Arts and Culture	6	1	5	0	6	0

DETAIL	2014/15	2015/16	2016/17
Section 80 Committee Meetings			
▶ Anglo Gold	1	0	13
▶ Project Monitoring	3	4	3
▶ Heritage Committee	0	0	0
▶ Budget Steering	4	7	6
▶ Audit Committee	-		9
▶ Matlosana / ISAGO@N12	2	3	4
▶ IDP Steering Committee	4	4	4

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COMMENTS ON THE PERFORMANCE OF THE POLITICAL OFFICES OVERALL

The Executive Mayor was inaugurated on the 17th August 2016 and since her inauguration, progress has been made in the following key performance areas:

- ▶ Establishment of the Mayoral Executive Committee
- ▶ Establishment of the Internal Audit Committee
- ▶ Establishment of the Projects (IDP) Monitoring Committee
- ▶ Establishment of the Budget Steering Committee
- ▶ Approval of the Budget for the 2017/18 financial year
- ▶ Approval of the 2017/18 SDBIP
- ▶ Ensuring the appointment of Municipal Manager and Chief Financial Officer.
- ▶ Approved 77 bursaries to needy students to continue tertiary education
- ▶ Appointment and placement of 55 graduates on the Mayoral Internship Programme for experiential learning

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 team and audit committee do not assume any management functions nor should management exert any undue influence over the work of the internal audit team 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 operations. 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 section conducts a risk assessment, thereafter compiles a risk assessment report that entails the listing of High, Medium and Low risks 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.

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Internal control

Internal audit reviews the adequacy and effectiveness of internal control that management reported as effective in reducing the impact that inherent risk might have on the operations of Municipality, through operational risk-based plan.

Governance Issues

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

- ▶ Risk Management
- ▶ Records Management
- ▶ IT environment
- ▶ Performance Management
- ▶ Delegation Processes
- ▶ Training Programmes
- ▶ Policies and Procedures
- ▶ Committees of Council
- ▶ Code of Conduct
- ▶ Strategic Plan
- ▶ Organisational Structure
- ▶ Public Participation

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 Team 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 among 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;

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- ▶ 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 programme 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 the chief audit executive.
- ↳ Access to information, properties and personnel.

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

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EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	6	13	6	7	54%
4 - 6	12	16	12	4	25%
7 - 9	2	4	2	2	50%
10 - 12	9	14	9	5	36%
13 - 15	4	5	4	1	20%
16 - 18	3	3	3	0	0%
19 - 20	0	0	0	0	0%
Total	36	55	36	19	35%

FINANCIAL PERFORMANCE 2016/17: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCLUDING COUNCILLORS)					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 066	3 286	3 286	527	-524%
Expenditure					
Employees	44 558	64 860	58 845	54 342	-19%
Repairs and maintenance	190	218	313	180	-21%
Other	51 920	55 715	62 961	43 771	-27%
Total Operational Expenditure	96 668	120 793	122 119	98 293	-23%
Net Operational Expenditure	-94 602	-117 507	-118 833	-97 766	

3.20 STRATEGIC PLANNING AND REGULATORY MATTERS

In today's organisational environment, budget-oriented planning or forecasting 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 being 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.

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

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY MATTERS

The directorate comprises 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:

"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.

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As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information”

During the 2016/17 financial year, the municipality complied 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 2016/17 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 Executive Mayor 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 removal 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 outlining its strategies is aimed at addressing the key national and provincial priorities, the National Development Plan as well as the Millennium Development Goals (MDGs). In responding to the skewed economic inequalities, the 5th Administration also came up with the VTSD strategy as the second concrete issue. It seeks to channel resources to the previously ignored communities in the Villages, Townships and Small Dorpies. Aligned to the VTSD strategy is the new planning approach which represents a fundamental shift from the conventional top-down planning approach to a people-centred bottom-up approach.

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

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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 infuse life into the IDP such that it takes into account the changing priorities and planning outcomes of the City.

This current version represents a fourth-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 third-generation IDP.

This document is a product of a broad consultative process which culminated in a successful IDP Representative Forum held on 20 April 2017 where stakeholders confirmed and approved projects for the City of Matlosana.

In the period under review, the City of Matlosana municipality ensured that the budget, the IDP and the Service Delivery and Budget Implementation Plans were aligned.

Management is focussed on developing consensus around strategic developmental priorities and is committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

COMMENT ON THE PERFORMANCE OF INTEGRATED DEVELOPMENT PLAN OVERALL

A new dimension to municipal strategic planning was introduced where all levels within the structure of the municipality were engaged, all political parties and trade unions were engaged and external stakeholders were also taken on board.

The strategic process ensured that all departments within Matlosana Municipality had a review of functions, staff establishment, mission aligned to the vision of the city and key strategic objectives analysed.

Every department has a strategic focus area upon which qualitative and objective performance appraisals and evaluations will be performed. Focused quarterly and annual reviews will conclude the strategic planning process that has been introduced to Matlosana Municipality.

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.

Impact on institutional performance –

The City of Matlosana operates in an environment of growing uncertainty, but also great opportunity. The Risk Management Unit ensures consistent alignment and management of key risks in order to achieve the City's core objectives. It strives to provide reasonable assurance that the key risks and their contributing factors are mapped to current controls, as well as to advise on actions to be taken to mitigate risks in a cost-effective manner.

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In the 2016/17 financial year, the Risk Management Unit managed 78 identified risks, through an annual identification risk assessment session per department, and held monitoring and reviewing sessions with each department on a quarterly basis.

The risk register was also submitted to the Risk Committee and the Audit Committee for oversight purposes. Initiatives are continually researched and implemented to further embed risk management in the City's processes.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee (MPAC) scrutinises and evaluates the actions of those entrusted with certain responsibilities or powers to check that they are discharging their responsibilities according to set policies and rules and are delivering expected outputs and outcomes. The Committee does not relate to any party politics and its responsibilities are delegated in terms of the provisions of Section 59 of the Systems Act.

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

STATISTICS

COMMITTEE	NO OF MEETINGS	UNDERTAKING
Public Participation meeting by MPAC	1	Annual Report 2015/16
In loco Inspection conducted by MPAC and Section 32 Committee	2	Incomplete PMU Projects and On-going Projects
Public Hearings on the Annual Report 2016/2017	7	Hold Municipal Executive and Administration accountable for stewardship of municipal / public resources
MPAC - 2016/17	27	Meetings for the financial year 2016/17
Section 32 - 2016/17	10	Meetings for the financial year 2016/17

SECTION 32 COMMITTEE

The Section 32 Committee is a sub-committee of MPAC and reports directly to Council via MPAC. The Council refers identified Unauthorised, Irregular, Fruitless and Wasteful (UIF and W) Expenditure for investigation to the Section 32 Committee.

Its responsibility is to deal with possible losses by the Municipality, and this is confirmed by Section 3(2)(a) of the MFMA which makes it possible for unauthorised expenses to be regularised by a subsequent authority.

The Committee does not write off expenditure and it would also not regularise the expenditure.

The purpose of Section 32 is not punitive. Punitive action may be necessary in respect of Unauthorised expenditure, [32(2)(a)], but is always necessary in terms of Irregular or Fruitless and Wasteful Expenditure [32(2)(b)] and it is the responsibility of the Accounting Officer or Council to take punitive steps and not the Section 32 Committee.

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COMMENTS ON THE PERFORMANCE OF MPAC OVERALL

The MPAC is independent and not partially connected to or influenced by anyone else and MPAC is always thinking about the Society that we serve by trying by all means to be professional when carrying out tasks. We ensure that we comply with the legislations and maintain high standard of trustworthiness and honesty, respect and empathy as well as integrity. MPAC take responsibility in terms of accountability for own actions and decisions.

The overall performance of the Municipal Public Accounts Committee: -

- ▶ Compliance with processes.
- ▶ Maintaining an a-political status.
- ▶ Carrying out comprehensive investigations.
- ▶ Interacts continuously with members of the public.

EMPLOYEE INFORMATION

EMPLOYEES: STRATEGIC PLANNING, MONITORING AND CONTROL					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	5	7	7	0	0%
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	9	1	10%

FINANCIAL PERFORMANCE 2016/17: STRATEGIC PLANNING, MONITORING AND CONTROL					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure					
Employees	7 697	8 319	9 251	9 474	0
Repairs and maintenance	17	52	52	3	-16
Other	1 507	150	1 119	686	1
Total Operational Expenditure	9 221	8 521	10 422	10 163	0
Net Operational Expenditure	-9 221	-8 521	-10 422	-10 163	

3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

Matlosana Local Municipality has been under financial constraints because of the global economic outlook which has been weaker than anticipated. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the drought gripping many parts of the country, do pose some risk to the inflation outlook. The mining sector contributes to the local economy and is a substantial employer within Matlosana. Most mines have resorted to retrenching employees because of the current economic situation and this has resulted in our debtor's book growing.

Persistently high unemployment remains one of South Africa's most pressing challenges and many rural people are coming to Matlosana to seek employment. These economic challenges will continue to put pressure on municipal revenue generation and collection.

The Finance directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from the government fiscus, i.e. allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all community proposals in terms of projects.

The directorate must develop 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. There have been internal and external audits in order to ensure management of risk and curbing corruption while encouraging effective customer care service.

DEBT RECOVERY						
R' 000						
Details of the types of account raised and recovered	2014/15		2015/16		2016/17	
	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 %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %
Property rates	266 828	82%	281 771	84%	290 494	77%
Electricity – B						
Electricity – C	612 463	83%	685 958	85%	634 797	82%
Water – B						
Water – C	450 051	46%	517 558	48%	497 281	44%
Sanitation	97 720	52%	103 192	55%	106 539	52%
Refuse	134 270	35%	141 789	35%	145 155	35%
Other	627 740	21%	662 892	34%	382 047	58%

- ▶ Property rates billed annually have a collection rate of between 77%
- ▶ Electricity billed annually has a collection rate of between 82% taking into account electricity losses and theft.
- ▶ Water billed annually has a collection rate of between 44% with huge water losses in the municipal area.
- ▶ Sanitation billed annually has a collection rate of about 52%
- ▶ Refuse billed has a collection rate of about 35%

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- ▶ The collection rates have decreased since credit control cannot be effected properly due to the fact that electricity cannot be terminated in areas where Eskom supplies electricity and water restrictions are not effective
- ▶ Other income – other income depends on the nature of the income. Example: sale of stands.

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions within the municipality have been decentralised. The departments are requesting quotations and compiling preliminary specifications and reports for the bid committee. The unit as it is checks compliance and facilitates 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 times.
- ▶ The right quality and quantity are ensured.
- ▶ The correct service provider or supplier is used.

Challenges

- ▶ Decentralisation of the SCM process makes the system biased and the centralisation process is still slow.
- ▶ Lack of office and filing space.
- ▶ Delays in the SCM process on the appointment of service provider or suppliers, interruptions of briefing sessions which cause unnecessary postponement of other processes.
- ▶ Lack of own electronic supplier data-base system – still relying only on the Central Supplier Database (CSD) and manual system.
- ▶ Reluctance of declaration of interest by officials.

EMPLOYEE INFORMATION

EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	5	7	5	2	29%
4 - 6	15	22	16	6	27%
7 - 9	30	35	31	4	11%
10 - 12	67	91	61	30	33%
13 - 15	29	43	29	14	33%
16 - 18	3	4	3	1	25%
19 - 20	12	14	10	4	29%
Total	161	216	155	61	28%

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FINANCIAL PERFORMANCE 2016/17: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	782 170	514 974	539 125	790 216	35%
Expenditure					
Employees	48 666	51 748	51 352	50 650	-2%
Repairs and maintenance	5 822	658	644	279	-136%
Other	495 934	461 563	480 487	651 904	29%
Total Operational Expenditure	550 422	513 969	532 483	702 833	27%
Net Operational Expenditure	231 748	1 005	6 643	88 553	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

In the 2015/16 financial year the audit opinion remained unchanged with a qualification. Management is confident that it will move into an era with unqualified audit opinions, starting in the 2016/17 financial year.

The cash flow position of the municipality remains a challenge as a result of numerous outstanding creditors that have to be dealt with in the coming years. The collection of outstanding debt also remains a challenge to the municipality.

In the 2017/18 financial year the municipality will convert to mSCOA (municipal Standard Chart of Accounts) as prescribed by NT. This will result in improved quality of financial reporting, going forward.

NATIONAL KEY PERFORMANCE INDICATORS

See pages 220-221 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.

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Setting out priorities for the Human Resource Services and the impact during 2016/17 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 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

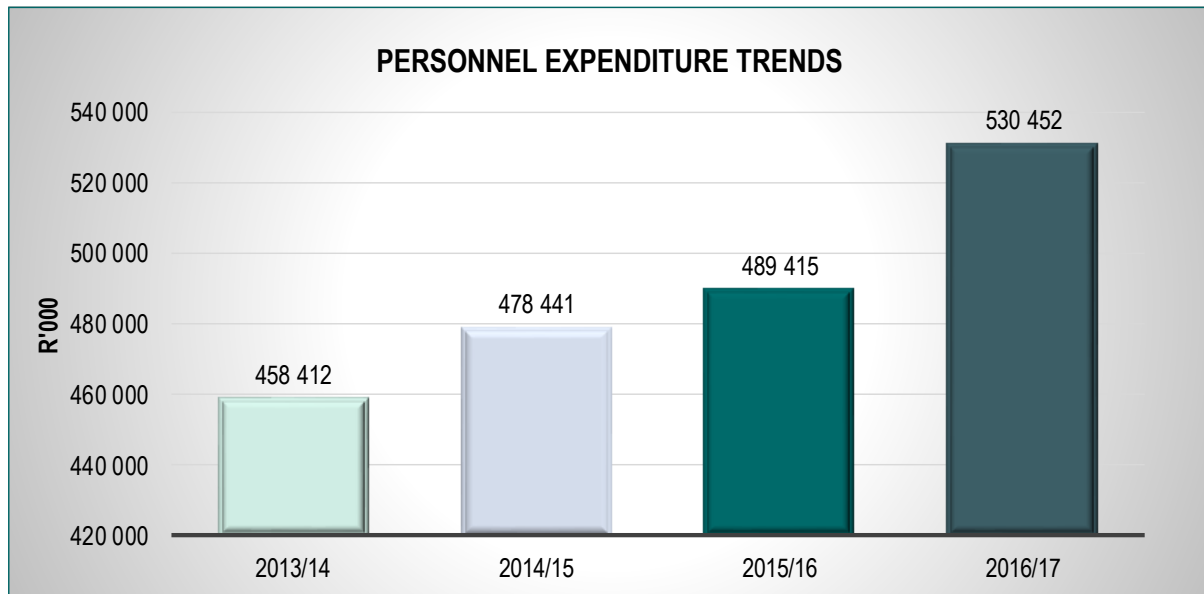
Total personnel expenditure trends in the last four years

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The following table reflects the total personnel expenditure trends from 2013/14 to 2016/17:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2013/14	458 412	21.40%
2014/15	478 441	21.30%
2015/16	489 415	19.42%
2016/17	530 452	19.58%

The following table reflects the total personnel expenditure trends from 2013/14 to 2016/17:



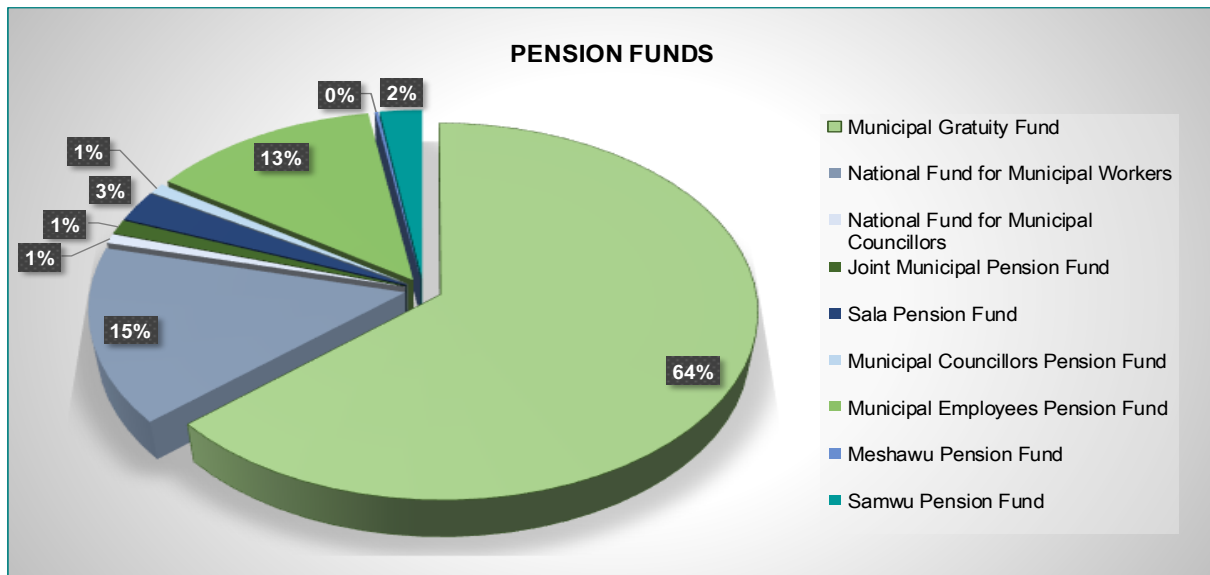
Pension and Medical Aid Funds

Pension Fund

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

PENSION FUND	NUMBER OF MEMBERS		
	2014/15	2015/16	2016/17
Municipal Gratuity Fund	1 266	1 361	1 318
National Fund for Municipal Workers	264	326	315
National Fund for Municipal Councillors	0	0	17
Joint Municipal Pension Fund	32	28	26
Sala Pension Fund	74	62	55
Municipal Councillors Pension Fund	66	64	19
Municipal Employees Pension Fund	295	280	267
Meshawu Pension Fund	4	4	4
Samwu Pension Fund	54	49	49
TOTAL	2 055	2 174	2 070

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The Council's actual pension fund expenditure for the 2016/17 financial year towards the employer's contribution was R65 804 509.

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 2016/17 financial year as the employer's contribution to medical aid funds was R31 026 835, while the medical aid for pensioners and provision for 2016/17 are R10 544 615 which brings the total medical aid fund to R41 571 450.

MEDICAL AID FUND	NR OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
Key Health	110	4 483 681
Hosmed	68	2 349 988
Bonitas	321	9 000 033
LA Health	417	9 388 502
Samwu Med	311	5 704 629
Pensioners and provision for contributions		10 544 615
TOTAL		41 571 450

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)	ARREARS JUNE 2017 (R)
Councillors*	14 334	34 219	51 462	797 390
Employees	835 552	41 720	475 597	1 087 878

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

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The increase in arrears is attributed to the appointment of new councillors and personnel in this financial year. Numerous of these appointments had arrears before councillors were appointed by Council. These arrears are also being deducted from the councillors and personnel's salaries on a monthly basis.

Disclosure concerning executive councillors and directors

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

DESIGNATION	REMUNERATION PACKAGE (R)			
	2013/14	2014/15	2015/16	2016/17
Executive Mayor	824 959	724 669	816 856	859 856
Speaker	647 977	583 908	658 915	733 770
Mayoral Committee Members (12)	6 605 373	6 137 898	7 311 307	6 450 621
Councillors (63)	12 936 512	13 011 782	15 195 294	20 353 829
Municipal Manager	1 253 355	1 332 312	2 797 856*	1 468 984*
Director Finance (CFO)	1 226 595	1 303 872	1 369 66*	1 439 882*
Director Corporate Services	1 004 652	1 004 652	1 121 343	936 022
Director Macro City Planning and Development	1 004 652	1 067 946	1 121 343	1 190 868
Director Municipal and Environmental Services	-	-	1 121 343	1 190 868
Director Infrastructure Services	1 004 652	1 004 652	1 121 343	1 190 868
Director Strategic Planning, Monitoring and Control	1 004 652	1 067 946	1 121 343	1 190 868
Director Electrical and Mechanical Engineering	-	-	1 121 343	1 190 868

* See notes 25 of Annual Financial Statements for more information

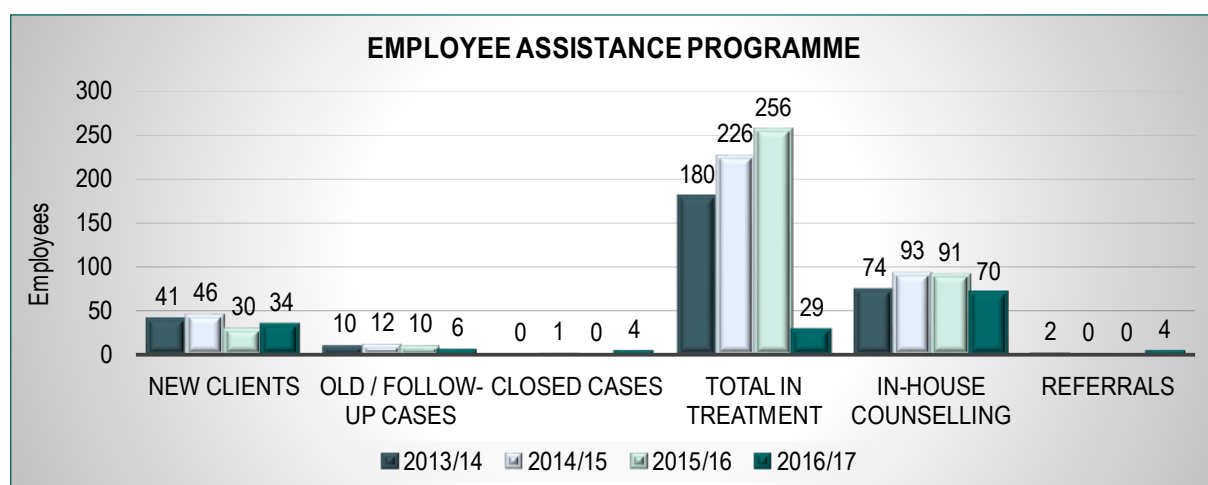
Personnel Administration

DETAIL	2013/14	2014/15	2015/16	2016/17
Pension	37	41	59	46
Resignations	30	45	46	18
Deaths	25	26	39	12
Other	07	12	0	0
Injuries on duty	63	56	06	87
Medical boarding in process	06	05	04	15
Medical boarding application	07	07	07	1
Death claims	25	26	59	15
Posts in Council	2 437	2 480	2 482	2 524
Posts filled	2 132	2 019	2 077	2 024
Posts vacant	305	461	405	500

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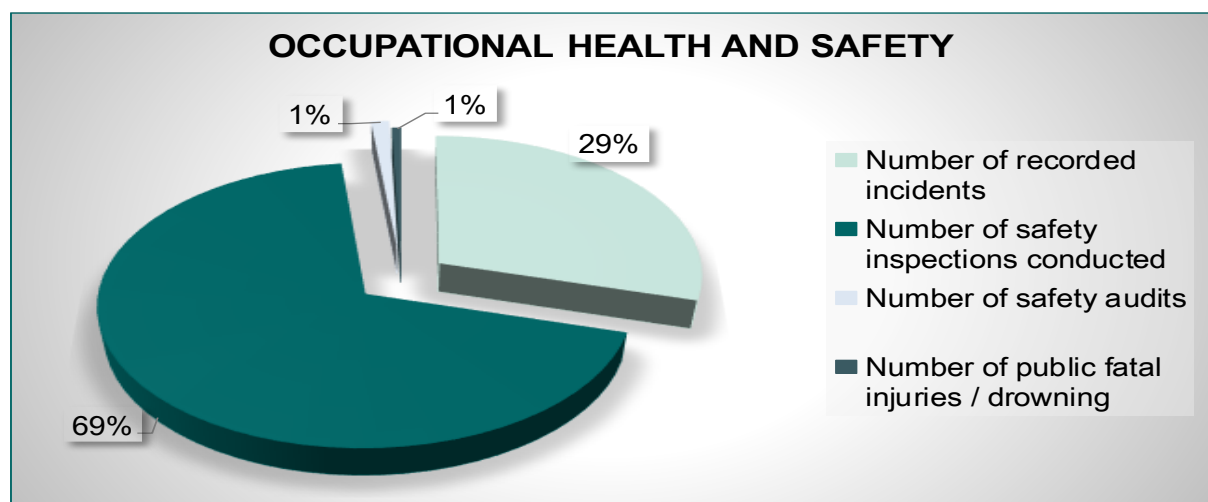
EMPLOYEE ASSISTANCE PROGRAMME

DETAIL	2013/14	2014/15	2015/16	2016/17
New clients	41	46	30	34
Old / follow-up cases	10	12	10	6
Closed cases	0	1	0	4
Total in treatment	180	226	256	29
In-house counselling	74	93	91	70
Referrals	2	0	0	4
Total refused referrals to EAP	0	0	0	0



Occupational Health and Safety

DETAIL	2013/14	2014/15	2015/16	2016/17
Number of recorded incidents	83	56	60	51
Number of fatal incidents reported	3	0	0	0
Number of safety inspections conducted	162	120	120	120
Number of construction projects inspected	0	0	0	0
Number of safety audits	2	2	2	2
Number of public fatal injuries / drowning	0	1	0	1



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EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	3	2	1	33%
4 - 6	10	11	8	3	27%
7 - 9	4	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	26	31	24	7	23%

FINANCIAL PERFORMANCE 2016/17: HUMAN RESOURCE SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	728	4 000	4 546	232	-1 624%
Expenditure					
Employees	5 759	6 280	30 001	29 087	78%
Repairs and maintenance	0	7	150	111	0%
Other	1 125	5 857	6 251	8 489	31%
Total Operational Expenditure	6 884	12 144	43 069	37 687	68%
Net Operational Expenditure	-6 156	-8 144	-38 523	-37 455	

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Training and Development

During the 2016/17 financial year the Training and Development Unit successfully submitted the Work Place Skills Plan as well as the Annual Training Plan and as a result of the positive evaluation of the Discretionary Grant application, the City of Matlosana was awarded thirteen (13) learnership programmes, bursaries for personnel and above all, the municipality was among the eleven (11) municipalities in the Province to receive an award from LGSETA for best performance.

Recruitment and Selection

Whereas in the previous financial year there were very few or no appointments due to moratoriums, but currently there is movement in the Recruitment and Selection unit as appointments of income-generating and service delivery personnel have been prioritised. About 80% of vacant positions have been filled in the Finance department and 90% in the Licensing Department. Human Resources is currently in the process of shortlisting candidates in the service delivery departments.

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Organizational structure

Council has approved a reviewed top structure of the current organigram and this office is in the process of finalizing the review of the remaining positions in consultation with all stakeholders. We anticipate to submit the draft to council by January 2018.

Human Resources Strategy

A draft Human Resources Strategy, which takes its cue from the draft strategic plan that maps the way forward for the next five years (2017-2022), will be submitted to Council as soon as Council approves the reviewed organizational structure.

NATIONAL KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	NO. OF APPROVED POSITIONS ON THE THREE HIGHEST LEVELS OF MANAGEMENT	NO. OF MALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT	NO. OF FEMALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT
2013/14	42	33	12
2014/15	44	28	9
2015/16	45	26	9
2016/17	45	25	9

See pages 219 and 222 for detail.

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT is the strategic enabler for effective administration and service delivery. It assists in changing the way in which the municipality provides services to the citizens through the introduction of enabling technology.

A five-year ICT Strategy Plan and an ICT Disaster Recovery Plan need to be developed. The municipality is in the process of developing these plans with assistance from SITA.

The Information and Communication Technology Services rendered to COM users can be divided into Operations, Technical Support and Maintenance, Software Support, Projects and Administration.

The ICT Section provides services to about 800 users in the municipality spread across the following areas:

SITES	SPECIFIC AREAS	SITES	SPECIFIC AREAS
Klerksdorp	Electricity Offices Museum Offices Main Municipal Office Finance Office Fire Brigade Office Traffic Office Klerksdorp Library Recreation Centre Community Services Offices	Jouberton	Ext. 1 Pay point Office Ext. 6 Pay point Office Ext. 13 Pay point Office Ext. 17 Pay point Office Ext. 19 Pay point Office

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	Licence Office Market Office Central Stores Offices Civil Engineering Offices		
Orkney	Orkney Pay point Office Orkney Library Orkney Fire Brigade Office Harry Oppenheimer Stadium Electricity Offices	Hartbeesfontein	Hartbeesfontein Pay point Office Hartbeesfontein Library Hartbeesfontein Licence Office
Kanana	Kanana Pay point Office	Alabama	Alabama Pay point Office
Stilfontein	Stilfontein Main Municipal Office Stilfontein Library	Tigane	Tigane Pay point Office Tigane Library
Khuma	Khuma Pay point Office Khuma Library	New Khuma	New Khuma Pay point Office New Khuma Library

The access, installation, maintenance and support services that are granted to users on a need to use basis range from E-mail, Internet, Fax-to-email, Voice Over Internet Protocol (VOIP), Venus, Cash drawer, UMS, Utilities World, Payday, Orbit, Workflows, etc.

For the 2016 / 2017 financial year there were 1 719 calls logged by users and all were successfully resolved. 97% of these calls were resolved within ten working days.

The following hardware was replaced in the 2016/17 financial year –

HARDWARE	NUMBER	AMOUNT
Printers	22	78 742
Laptops	52	607 594
Projectors	5	42 107
Workstations	17	217 390
Total	96	945 832

As from the 1st of July 2017 the municipality must be mSCOA compliant. An mSCOA Steering Committee was established. One of the core duties of this committee is to determine which financial system will fit the requirements of the municipality best in order to be mSCOA compliant. A decision was made and the council adopted the resolution to change from the current financial system to the Phoenix Financial System.

The migration of the City of Matlosana's current financial system to a new financial system, with its new system architecture, requires significant investment in new hardware and software. The hardware and software requirements for the new financial system will be addressed in phases due to financial constraints.

The following e- Services will also be provided in the near future –

- ▶ Access to forms utilised by the municipality and
- ▶ Mobile access to municipality's systems.

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EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	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 2016/17: ICT SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	200	100	100	156	0%
Expenditure					
Employees	1 916	1 961	2 097	1 920	-6%
Repairs and maintenance	3 233	8 440	8 440	5 426	0%
Other	4 544	4 641	4 525	19 138	3%
Total Operational Expenditure	9 693	15 042	15 062	26 484	0%
Net Operational Expenditure	-9 493	-14 942	-14 962	-26 328	

COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2016/17 financial year:

- ▶ The second phase of the anti-virus project – which is to deploy the anti-virus software to all workstations has been finalised. Whilst busy with this phase of the anti-virus project the second phase of the Active Directory project which is to add all the workstations in the municipality onto the Active Directory has also been addressed.
- ▶ The second phase of the cashier's hardware and software upgrade project was successfully completed by the end of October 2016. All the cashiers now have new workstations and printers and the point of sale software called 'Cash drawer' was updated to the latest version.
- ▶ The revamp of the network infrastructure at the Klerksdorp Parks and Cemetery Offices was successfully completed. All Wi-Fi access points have been removed and replaced with network switches and cat5 network cables.
- ▶ The revamp of the network infrastructure at the west wing of the Klerksdorp Main Municipal Office was also successfully completed. All Wi-Fi access points have been removed and replaced with network switches and cat5 network cables.

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- ▶ Old Proxim radios between the Finance Office and the Old Koppies Radio Tower have been replaced with Ubiquity radios.
- ▶ Old 3Comm switches at the Hartbeesfontein Pay point Office (one), the Stilfontein LED Office (one), the Klerksdorp Main Municipal Office (three for the telephone network) and the Klerksdorp core network server room (one) have been replaced with Microtik switches.
- ▶ The City has remained at the forefront of technological advancement. Through its workstation renewal project, workstation computers older than six years were replaced and Windows 7 was adopted as the standard operating system, to which more than 90% of the City's computers have now been upgraded. This standardisation has reduced the complexity of the IT environment and allowed for better remote support.

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.
- ▶ Preparing and approving for legal correctness of the Council by-laws and other legal documents.
- ▶ Preparing litigation documents.
- ▶ Drafting service level agreements
- ▶ Keeping the contract register

Key performance objective

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

Strategic objectives

- ▶ Rendering legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- ▶ Informing and advising staff in a timely manner on court decisions and new laws that affect Council operations.
- ▶ Advising and representing Council on litigation matters in a complete and timely fashion.
- ▶ Reviewing all resolutions, as well as contracts/agreements.
- ▶ Endeavouring to cut down on legal costs by handling most legal matters in-house.
- ▶ Revising Council policies and procedures to comply with statutory and legal requirements.
- ▶ Providing professional legal advice to the Council and its top management.

Key issues

- ▶ To settle cases and effective outcome of actions with minimal negative impact for Council.
- ▶ To effectively protect Council's interest.

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- ▶ 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	2016/17
Cases against Council	34	32	13	38
Cases for Council	46	38	68	102
Cases won	29	21	0	12
Cases settled	10	19	2	5
Cases outstanding	49	62	66	123
Cases referred to the High Court	31	18	14	21
TOTAL EXPENDITURE	R6 403 604	R 6 478 329	R12 445 583	R13 222 657

EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	3	3	0	0%
4 – 6	11	12	10	2	17%
7 – 9	5	6	4	2	33%
10 – 12	9	11	8	3	27%
13 – 15	14	14	13	1	7%
16 – 18	4	6	4	2	33%
19 – 20	32	33	31	2	6%
Total	78	85	73	12	14%

FINANCIAL PERFORMANCE 2016/17: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2015/16	2016/17			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	145	-	38	41	100%
Expenditure					
Employees	25 479	5 027	4 921	4 749	-6%
Repairs and maintenance	114	5	53	0	0%
Other	17 540	9 428	14 380	13 357	29%
Total Operational Expenditure	43 133	14 460	19 354	18 106	20%
Net Operational Expenditure	-42 988	-14 460	-19 316	-18 065	

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COMMENT ON THE PERFORMANCE OF LEGAL AND ADMINISTRATIVE SERVICES OVERALL

The following highlights need to be mentioned:

- ▶ Legal Services managed to establish a panel of attorneys which will formalise the handing over instructions to attorneys.
- ▶ Various litigation matters that are for and against Council were referred to attorneys on the panel of Council, for proper legal service and protection of Council legal interests.
- ▶ The contract management was centralised with legal services.
- ▶ Legal services drafts agreement register for all awarded tenders.
- ▶ Assistance with disciplinary cases so that they can be resolved speedily.

Annual Performance Report 2016/17

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1. INTRODUCTION

The 2016/17 Annual Performance report is hereby submitted by the Municipal Manager in terms of section 121 of the Municipal Finance Management Act, (56 of 2003) as amended, read with the Municipal Systems Act (32 of 2000) as amended, Section 46(1) and (2) as well as the Municipal Finance Management Act, Circulars 11 and 63 on annual reporting.

The Municipal Planning and Performance Management Regulations (2001), Chapter 3, Section 7, stipulate 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 were 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 2016 to 30 June 2017 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:

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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 2016/17 financial year, the City of Matlosana continued to maintain effective performance management operations of the following processes:

- ▶ The 2016/2017 SDBIP was approved by the Executive Mayor.
- ▶ Performance agreements with performance plans were developed, signed by the senior managers and approved as required by the Municipal Performance Regulations, 2006.
- ▶ Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager.
- ▶ 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.
- ▶ Implementation of Performance Management System by creating an organisational culture of performance monitoring and evaluation.
- ▶ Setting Key Performance Indicators (KPIs) that are Reliable, Well-defined, Verifiable, Cost-effective, Appropriate and Relevant.
- ▶ The developing and setting of targets that comply with the SMART principle by being Specific, Measurable, Achievable, Relevant as well as being Time-bound.
- ▶ Stronger / clear linkage between IDP, Budget, SDBIP and Annual Report.
- ▶ Regular reporting on organisational performance, to aid in the monitoring of performance and to identify instances where corrective actions may be needed.

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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 for performing 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 requirements:

- ▶ 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 support 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 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 discharging 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 the King III Report on Corporate Governance.

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 the King III Report on Corporate Governance.

The Audit Committee members are as follows:

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

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4. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

In order to ensure that performance planning, implementation and reporting are effective, it is recommended that the following remedial actions be maintained during the 2017/2018 financial year:

- ▶ Management to discuss monthly progress of the SDBIP as a standing agenda item at their top management meetings and that portfolios of evidence of each meeting be kept.
- ▶ The SDBIP to be discussed as a standing agenda item 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
- ▶ 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 instructed 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 2015/16 AUDITOR-GENERAL'S REPORT

The Auditor-General's report contained the following statement

"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:


24. Refer to the annual performance report on pages 137 to 213 for information on the achievement of the planned targets for the year.

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."

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 2017.

The following is reported on:

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

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The Annual Performance Report for the 2016/17 financial year reflects the performance of the municipality and directorates in a table format, measured against the approved KPIs and targets, as contained in the IDP and SDBIP. The achievements, reasons for deviation and planned remedial action are reported by the respective directorates on a quarterly basis.

Data provided on the Performance Management System is supported by relevant evidence captured and maintained by the directorate's proof of evidence – (POEs).

6.1 Organisational performance results

The table below encapsulates the high-level summary of the municipality's 2016/17 performance results with regard to each of the development priorities:

2016/17 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPIs	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Service Delivery and Infrastructure Development</i>	74	49	25	65%
<i>Municipal Institutional Development and Transformation</i>	19	13	6	68%
<i>Local Economic Development (LED)</i>	8	8	0	100%
<i>Municipal Financial Viability and Management</i>	43	25	18	58%
<i>Good Governance and Public Participation</i>	111	87	24	78%
TOTAL	255	181	74	71%

The 2016/17 year's performance results currently reflect a 71% success rate caused by mixed performance results of directorates in implementing the SDBIP.

The 2016/2017 SDBIP includes the performance comments and corrective measures indicated for targets not achieved.

The following achievements contribute to overall 2016/17 annual performance of the City of Matlosana:

Basic Service Delivery and Infrastructure Development

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.

- ▶ Upgraded 1.1 km of Jabulani Street in Jouberton
- ▶ Elevated one bulk water 2 Mℓ pressure tower supplied for Alabama / Manzilpark (Phase 3B)
- ▶ Upgraded and installed mechanical and electrical equipment at Lerato Pump-station in Kanana
- ▶ 1.8km taxi route paved and 1.8km of storm-water drainage constructed in Alabama (Phase 7) at Rosebank, Van Wyk, Campbell, Brink and Moses Streets
- ▶ 2.1 km taxi route paved and 2.1 km of storm-water drainage constructed in Khuma (Phase 8) at Marumule and Zakes Tolo Streets

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- ▶ Upgraded the National Fresh Produce Market
- ▶ Improved bulk water supply with a water pressure tower for Alabama / Manzilpark (Phase 3)
- ▶ Eight high mast lights installed in Tigane (Wards 1 & 2) (Phase 4)
- ▶ Sixteen high mast lights installed in Alabama (Wards 3 & 4) (Phase 2)
- ▶ Resolved at least 90% of all low-voltage complaints received in the Matlosana area
- ▶ Conducted 900 general fire inspections according to programme in the Matlosana area
- ▶ 168 950 households with access to water

Municipal Institutional Development and Transformation

Municipal Institutional Development and Transformation relates to 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 of staff to deliver services.

- ▶ Conducted four Risk Assessments with Council departments on emerging risks
- ▶ Conducted 120 Occupational Health and Safety inspections in Council departments
- ▶ Conducted two Occupational Health and Safety Audits
- ▶ Submitted the 2017/18 Work Place Skills Plan to LGSETA
- ▶ Identified the skills gaps of all level 1-6 employees in the Corporate and Municipal and Environmental Services directorates
- ▶ Conducted four life-skills training sessions for council employees; conducted two wellness events
- ▶ Conducted two training sessions for post levels 1-5 employees on Schedule 8 of the Labour Relations Act on disciplinary procedures
- ▶ Compiled and distributed six internal newsletters to all employees of Council

Local Economic Development

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 30 permanent positions through the Municipality's local economic development initiatives in rural areas
- ▶ Created 948 permanent and jobs exceeding three months through the Municipality's local economic development initiatives including capital projects in urban areas
- ▶ Four cooperatives (one per township) in Matlosana area established / resuscitated and functional
- ▶ Conducted four SMME workshops to capacitate SMMEs

Municipal Financial Viability and Management

Municipal Financial Viability and Management focuses on the internal financial management processes. As such, this would focus on matters relating to budget development, supply chain management issues, asset management as well as income and expenditure management.

- ▶ MIG expenditure reached 99.80 % of annual allocation (excluding roll-overs)
- ▶ R6 890 000 income collected from Vehicle Registration and Licensing / renewals
- ▶ R16 616 277 income collected from market commission (dues)
- ▶ Grants as 100% of revenue received per DORA

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- ▶ Collected R 99 749 440 income from power cards electricity sales
- ▶ Reconciled the 2015/16 asset register 100% to the financial statements
- ▶ 82.45% annual debtor's collection rate
- ▶ 21 284 Approved households with free basic services (indigents)
- ▶ 20% of Households registered earning less than R3 000 per month
- ▶ 96% of budgeted revenue for property rates collected

Good Governance

Good Governance focuses on the good governance matters such as public participation, performance management, effectiveness of oversight structures, internal audit matters, risk management and communications

- ▶ Tabled the Audited 2015/16 Annual Report before Council on 31 January 2017
- ▶ Revised the 2015/16 Risk Register to determine the linkage between departmental objectives and risk activity and approved the 2016/17 Risk Register
- ▶ Four Audit Committee meetings held to ensure an effective discharging of responsibilities
- ▶ Conducted 50 (Sec.80) committee meetings (portfolio meetings)
- ▶ Conducted 24 Council meetings
- ▶ 2016/17 Mid-Year Assessment Report approved by the Executive Mayor
- ▶ Conducted two community consultations meetings on the IDP

6.2 Four-year comparison of organisational performance results

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

2016/17 ORGANISATIONAL RESULTS				
	2013/14	2014/15	2015/16	2016/17
Annual Overall Performance	61%	71%	70%	71%
Key Performance Areas				
<i>Service Delivery and Infrastructure Development</i>	59%	73%	74%	65%
<i>Municipal Institutional Development and Transformation</i>	61%	76%	69%	68%
<i>Local Economic Development (LED)</i>	58%	83%	86%	100%
<i>Municipal Financial Viability and Management</i>	46%	42%	48%	58%
<i>Good Governance and Public Participation</i>	72%	77%	78%	78%

The 2016/17 percentage is 1% higher as compared to 2015/16 financial period.

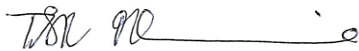
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7. CONCLUSION AND APPROVAL OF BY THE MUNIICPAL MANAGER

During the 2016/17 year the overall performance results currently reflect a 71% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2016/17 percentage is 1% higher as compared to 2015/16 financial period.

The municipality will continue improving on its performance management system, particularly in the application of the SMART principle. Challenges still exist on accurate and timeous 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 of performance management so as to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting on performance.



T.S.R. NHKUMISE
MUNICIPAL MANAGER

Date: 31 August 2017

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IDP and Council Projects (Grant and Council Funded)

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT



IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the road system to ensure a better accessibility and beautification for the community					
PMU1	Jabulani Street in Jouberton upgraded	New project	0.75km achieved R13 615 300	Upgrading 1.1 km of Jabulani Street in Jouberton by June 2017 R13 146 608	Upgrading of sidewalks, landscaping, traffic circles and 1.1 km road and installation of street lighting R11 250 085		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure a basic water service					
PMU2	Bulk water supply improved with a water pressure tower for Alabama / Manzilpark (Phase 3B)	1.5 km bulk pipeline has been achieved - project 65% completed R6 828 340	Pipe work completed and the reservoir is outstanding R9 993 080	Elevating one bulk water 2 Ml pressure tower supplied for Alabama / Manzilpark (Phase 3B) by June 2017 R8 067 210	Site established, excavations and foundations completed R6 639 203		-	-	R16 026 701
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve water supply from Midvaal endpoint to Jouberton and Alabama to upgrade					
PMU3	Water supply from Midvaal endpoint to Jouberton and Alabama	3.1 Km pipeline constructed. Project completed R13 526 187	Payment finalized R2 434 478	Constructing one 13.2 km* of 600mm diameter uPVC pipeline for water supply from Midvaal endpoint to Jouberton and Alabama (Phase 1) by June 2017 R16 764 542	Contractor appointed and site establishment completed R14 705 738		-	-	R 26 160 454

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT




IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install and upgrade the sewer network in Khuma Proper (North East) to maintain the current infrastructure					
PMU4	Number of km sewer network installed and upgraded	Designing of the construction of sewer network completed R1 507 588	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	Installing a 1.3km of 250mm diameter uPVC main outfall sewer line, 17km of 160mm diameter sewer network lines, 5.2 km of 110mm diameter house connections, 119 manholes and upgrading of existing tralie pump stations for the sewer network in Khuma Proper (North East) by June 2017 R 7 802 324	2.2 Km of excavations and pipe installations. 11.032 km of 110 mm diameter pipeline installed. 120 Manholes completed. 14km backfilled. House connections completed R6 837 189		Due to hard rock the excavations took longer than anticipated and some trenches had to be excavated deeper. Therefore the main sewer outfall line connection is not completed	Contractor on programme. Multi-year project	R4 233 207
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade and installing mechanical and electrical equipment at Lerato Pump-station in Kanana to maintain the current infrastructure and to cater for the increased effluent demand					
PMU5	Lerato pump-station in Kanana upgraded	Designing of the construction of sewer network completed R1 507 588	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	Upgrading and installing mechanical and electrical equipment at Lerato pump-station in Kanana as per the technical report by June 2017 R5 852 672	New mechanical screen, compactor and waste water system. MCC and star delta starters replaced. R5 131 863		-	-	N/A

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT




IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrading and installing mechanical and electrical equipment at the Swart Street Pump-station in Oudorp to maintain the current infrastructure and to cater for the increased effluent demand					
PMU6	Swart Street Pump-station in Oudorp upgraded	New project	New project	Upgrading and installing mechanical and electrical equipment at the Swart Street Pump Station in Oudorp as per the technical report by June 2017 - R3 653 327	New mechanical screen, compactor and MCC and star delta starters replaced R3 196 434		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion					
PMU7	Tigane paving of taxi routes and storm-water dainage (Phase 8)	New project	0.955km achieved R3 662 199	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage in Tigane (Phase 8) at Albert Luthuli, Matthew Goniwe, RS Kraai, Morebudi and S Mahlangu Streets by June 2017 - R5 931 731	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268		-	-	R4 003 557
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion					
PMU9	Khuma Paving of taxi routes and storm-water drainage (Phase 8)	New project	Constructing 1.5 km channel. Project completed R3 699 596	Paving of 2.1 km taxi route and constructing 2.1 km of storm-water drainage in Khuma (Phase 8) at Marumule and Zakes Tolo Streets by June 2017 R8 494 511	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326		-	-	R3 166 959

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT



IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility and control and direct the flow of storm-water and prevent road erosion					
PMU8	Alabama paving of taxi routes and storm-water drainage (Phase 7)	New project	Constructing 1.5 km channel. Project completed R3 579 714	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage in Alabama (Phase 7) at Rosebank, Van Wyk, Campbell, Brink and Moses Streets by June 2017 - R6 856 949	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R 6 014 867		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the existing sport complex in Jouberton and to cater for other sporting codes					
PMU10	Athletic track and field at the Matlosana Stadium Jouberton constructed	New project	New project	Constructing the athletic track and field as per scope at the Matlosana Stadium in Jouberton by June 2017 R5 299 650	Construction of a tartan track still under way. Upgrading of electrical works completed R 4 648 180		Contractor had challenges in finding a specialist for the specified athletic track surface.	The matter has been resolved. The athletic track specialist to install the track.	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the market hall to ensure efficient service delivery to producers					
PMU11	National Fresh Produce Market in Klerksdorp upgraded	New project	New project	Upgrading of National Fresh Produce Market in Klerksdorp by June 2017 R4 624 300	1 Discard room completed. 5 Market shelters constructed. Electrical equipment installed R4 211 848		-	-	N/A

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT



IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the sewer outfall line in order to handle the load during pick hours and the discharge from Jouberton and surrounding areas before the effluent is discharged and treated at the Klerksdorp treatment plant					
PMU12	Sewer outfall line in Alabama /Jouberton (Ext 19) upgraded - Design fees	New project	New project	Upgrading of 600 mm uPVC outfall sewer line with a total length of about 800 m, and for 200mm diameter uPVC linking /connection line for the existing sewer network to the new proposed outfall line, with a total length of about 331 m. Construction of nine 1000 mm concrete manholes and ten 1250 mm concrete manholes and connection to the waste water treatment plant by June 2017 - Design fees - R246 852	Technical report submitted to DWS and project approval and recommendation letter received. The project was advertised for the procurement of the contractor R216 540		-	-	R3 251 022
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase the capacity of water in the Matlosana network					
PMU 16	Reticulation network upgraded by kilometres of pipe line constructed in the Matlosana area	New project	0.3 Km pipeline constructed R4 385 654	Upgrading of reticulation network in Matlosana area by constructing 1.2 km pipe line by June 2017 R1 212 480	1.2 Km pipeline constructed Reticulation network upgraded R0 (Payment will proceed in the 2017/18 FY)		-	-	N/A

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT


IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new sports complex in Khuma Township to cater for other sporting codes					
PMU15	New Sports Complex in Khuma constructed	New project	New project	Constructing a series of buildings, pavilion, multipurpose hall, caretaker quarters and the guardhouse, Building of a series of sports fields namely artificial solver fields, tennis courts, volleyball field, netball field and basketball all-weather courts. A concrete palisade fence will be built around the field as a boundary and there will be one controlled access point to the sports complex R3 294 000	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474		Sport, Arts and Culture Committee requested to change the project location, which resulted in a delay in the Bid Specification sitting	Bid Specifications to expedite the process	R10 951 678
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control and direct the flow of storm-water and prevent road erosion					
PMU17	Main storm-water drainage system constructed in Jouberton (Phase 6)			Constructing 0.498 km of main storm-water drainage system as per programme in Jouberton (Phase 6) by June 2017 R923 545	0.423 Km of main storm-water drainage constructed R892 250		Slow progress of learner contractors on project site	Remaining 075 km of work to be completed by August 2017	

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS



KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT




IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control and direct the flow of storm-water and prevent road erosion					
PMU18	Main storm-water drainage system finalized in Kanana (Phase 1)	New project	Constructing 0.82 km channel. Project completed R5 057 009	Finalizing outstanding reports for the 0.82 km of main storm-water drainage system as per programme in Kanana (Phase 1) by June 2017 - R255 209	Close-out report submitted R223 868		-	-	N/A

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

SECTION: DISTRIBUTION

NR	INDICATOR	MEASURABLE OBJECTIVE :		To electrify Alabama Ext 4 to better service delivery					
ELE19	Number of houses in Alabama Ext 4 electrified	New project	New project	Electrification of 951 households in Alabama Ext 4 by June 2017 R 5 800 000	Contractor appointed. Material on site, electrification 30% completed R4 686 321		Delay with the relocation of beneficiaries in formalized stands	Council to resolve the dispute of rightful beneficiaries	R3 500 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct new MVA substation at Alabama (phase 2) to maintain the current infrastructure and to cater for the increased effluent demand					
ELE20	New 20 MVA sub-station at Alabama (phase 2) constructed	New project	New project	Constructing of a new 20 MVA sub-station at Alabama (phase 2) by June 2017 R 5 000 000	Contractor appointed. Site construction 90 % completed Sub-station 30 % completed R 4 186 798		The allocations were reduced by the Department of Energy by R3 million from R8,8 million to R5,8 million	The funds were allocated for the 2017/2018 financial year	R10 500 000

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DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: DISTRIBUTION									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights to better service delivery					
ELE1	Tigane high mast lights (Phase 4) installed	New project	New project	Installing 8 high mast lights in Tigane (Wards 1 & 2) (Phase 4) by June 2017 R1 745 192	Erection of steel structures completed. 8 High mast lights installed - electrical reticulation and commission R1 534 304		-	-	R2 254 808
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights to better service delivery					
ELE2	Brakspruit CPA high mast lights (Phase 1) installed	New project	Sixteen houses electrified - electrical reticulation and commission R190 516	Installing 2 high mast lights in Brakspruit CPA (Ward) (Phase 1) by June 2017 R589 660	Erection of steel structures completed. 2 High mast lights installed - electrical reticulation and commission R504 260		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights to better service delivery					
ELE3	Alabama high mast lights (Phase 2) installed	New project	New project	Installing 16 high mast lights in Alabama (Wards 3 & 4) (Phase 2) by June 2017 R3 025 140	16 High mast light installed - electrical reticulation and commission R3 433 166		-	-	R2 049 560

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DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING



KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: PROJECT MANAGEMENT UNIT

IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights at hot spot areas to better service delivery					
ELE4	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) by October 2016 R1 000 000	4 High mast light installed - electrical reticulation and commissioned R874 919		-	-	R3 600 000

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

SECTION: LIBRARY SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improve library services and maintenance					
LIB1	Shortcomings at various libraries improved according to the approved project business plan	Various purchases and (summary of expenditure available at main library) R202 471	Material needs of main and branch libraries purchased (business plan on POE file) R308 134	Improving shortcomings at various libraries according to the approved project business plan by June 2017 R400 000	Various repairs, purchases and projects, e.g. stationery, awareness projects, etc. R351 307		-	-	R400 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improve library services and maintenance					
LIB2	Supplementary improvements of library services done	New project	Failed to purchase vehicle for libraries R0	Improving supplementary library services according to the approved project business plan by June 2017 - R700 000	Jouberton Library renovated - see business plan R645 844		-	-	R800 000


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Operational Indicators

Chapter 3


DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT



Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		MIG roll-over funding spent to ensure the upgrading and maintenance of infrastructure in the MATLOSANA					
MM2	MIG roll-over grants allocated to the City of Matlosana spent	R6 121 394	R16 490 853	Spending of MIG roll-over grants allocated to the City of Matlosana by June 2017 R6 141 304	R3 968 211 65%		Due to hard rock the excavations took longer than anticipated and some trenches had to be excavated deeper.	Contractor on programme. Multi-year project	R

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

SECTION: ROADS AND STORM-WATER DRAINAGE

NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop a RSMP (Roads and Storm-Water Master Plan) to ensure long term planning of road infrastructure					
ROA2	RSMP (Roads and Storm-Water Master Plan) developed	Not done R0	Not budgeted R0	Developing of RSMP (Roads and Storm-Water Master Plan) to be approved by Council by June 2017 - R1 708 229	No consultant appointed. Bulk Infrastructure Contribution Policy development R 684 825		Bulk Infrastructure Contribution Policy development - first develop before the appointment of consultant	Appoint a consultant in the 2018/19 FY if funds are available	R1 000 000

SECTION: WATER SERVICES




NR	INDICATOR	MEASURABLE OBJECTIVE :		To clean reservoirs and pressure towers to comply with legislation					
WAT5	Number of reservoirs and pressure towers cleaned	46 reservoirs cleaned	9 reservoirs cleaned	Cleaning 24 reservoirs and twelve pressure towers in the Matlosana area by June 2017	1 Reservoir cleaned		Midvaal is contesting the payment as per SLA agreement	Payment to be done as per SLA, to curb delays	24 reservoirs and 12 pressure towers
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain at least 95% of the Blue Drop status to improve water quality and water management and to comply with legislation					
WAT6	A minimum standard of 95% Blue Drop status obtained	Monthly compliance documentation submitted	Remain 95.35%. Blue Drop results not published since 2013	Obtaining a minimum standard of 95% Blue Drop status by June 2017	94.62% Monthly compliance documentation submitted to DWA		Some sample points has failed more than three times in past six months (Chlorine)	To be addressed in the 2017/18 financial year	Monthly compliance document.

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: SANITATION SERVICES

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address main sewer blockages to ensure reactive maintenance of main sewers throughout the year					
SAN5	Km of main sewers cleaned	10 Km of main sewers cleaned	15.17 Km of main sewers cleaned	Cleaning 20 km of main sewers as per programme in the Matlosana area by June 2017	20.1 Km of main sewers cleaned		-	-	30 km of main sewers
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the Green Drop score for improved waste water quality management					
SAN6	A minimum standard of 60% Green Drop score obtained	Achieved 55.1% for the Green Drop	39.85% Results for the 2013 Green Drop score	Obtaining a minimum score of 60% for the Green Drop programme by June 2017	49.26% Monthly compliance documentation submitted		Some sample points has failed more than 3 times in past 6 months (Chemicals)	To be addressed in the 2017/18 financial year	45% Score for the Green Drop
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct risk assessments on WWTP to comply with Green Drop requirements to ensure a sustainable healthy environment					
SAN7	Number of risk assessments on WWTPs in the Matlosana area conducted	New project	4 WWTP risk assessments conducted	Conducting 3 risk assessments on 2 WWTPs in the Matlosana by June 2017 R100 000	3 Risk assessments conducted R55 200		-	-	2 Risk assessments

SECTION: HUMAN SETTLEMENTS




NR	INDICATOR	MEASURABLE OBJECTIVE : To register and deregister Title Deeds to ensure secure tenure and ownership of houses							
HOU1	Number of Title Deeds de-registered	160 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R8 960	0 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R0	To register (500) and deregister (18) of Title Deeds in Khuma, Kanana and Jouberton (as per register) by June 2017 R900 000	0 Registrations done		131 Registrations done in Alabama. Slow registration processes by convenor	Process to be fast-tracked in the 2017/18 financial year	500 Title Deeds

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DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: HUMAN SETTLEMENTS





Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce housing backlogs					
HOU2	Number of housing backlogs reduced	New project	New project	Reducing 1 453 housing backlogs from 15 592 to 14 139 by June 2016	388 Houses completed		Payments from the Province to service providers is slow as a result the work is also slow	Engaging the Province to address the payments problem	Reducing backlogs from 15 592 to 13 390
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal housing services					
HOU3	Percentage of housing complaints resolved	New project	New project	Resolving at least 90% of all housing disputes in the Matlosana area by June 2017	29%		Lack of a proper Housing Policy	Develop a Housing Policy for the City of Matlosana	90%
DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING									
SECTION: DISTIBUTION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE9	Electricity losses eliminated	New project	24.7%	Eliminating electricity losses from 25% to 24% by June 2017	24%				25% to 24%

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DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: DISTRIBUTION




Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE10	Percentage of low-voltage complaints resolved	87% Low-voltage complaints resolved. (1 304 received / 1 503 resolved)	94% Low-voltage complaints resolved. (7 202 received / 6 770 resolved)	Resolving at least 90% of all low-voltage complaints in the Matlosana area (telephonic, written and verbal) received by June 2017	96% Low-voltage complaints resolved. (7 123 received/ 6 852 resolved)		-	-	90%
ELE11	Percentage of medium-voltage forced interruptions complaints resolved	100% Medium-voltage forced interruptions resolved (270 received / 270 resolved)	100% Medium-voltage forced interruptions resolved (354 received / 354 resolved)	Resolving at least 100% of all medium-voltage forced interruptions in the Matlosana area by June 2017	100% Medium-voltage forced interruptions resolved. (332 received/ 332 resolved)		-	-	100%
ELE12	Percentage of street lights complaints resolved	63% Street lights complaints resolved. (2 250 received / 1 408 resolved)	90% Street lights complaints resolved. (2 623 complaints received / 2 357 complaints resolved)	Resolving at least 80% of all street lights complaints in the Matlosana area (telephonic, written and verbal) received by June 2017	67% Street lights complaints resolved. (2 384 received/ 1 589 resolved)		Broken vehicles were sent to workshop for repairs. Shortage of materials	Some trucks repaired during June 2017 and additional trucks and material to be budgeted in the 2017/18 financial year	75%
ELE13	Percentage of high mast light complaints resolved	72% High mast lights complaints resolved. (78 received / 56 resolved)	79% High mast lights complaints resolved. (121 received / 96 resolved)	Resolving at least 75% of all high mast lights complaints in the Matlosana area (telephonic, written and verbal) received by June 2017	80% High mast lights complaints resolved. (188 received/ 150 resolved)		-	-	75%

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DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: DISTRIBUTION


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE14	Percentage of traffic control signals complaints resolved	100% Traffic control signal complaints resolved (180 received / 180 resolved)	100% Traffic control signal complaints resolved (103 received / 103 resolved)	Resolving 100% of all traffic control signals complaints in the Matlosana area (telephonic, written and verbal) received by June 2017	100% Traffic control signal complaints resolved (175 received/ 175 resolved)		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate possible fraud and illegal tampering to Council's assets					
ELE15	Percentage of electricity meter tampering investigations complaints resolved	100% Electricity meter tampering investigations resolved (705 received / 705 resolved)	77% Electricity meter tampering investigations resolved (278 received / 214 resolved)	Resolving at least 60% of all electricity meter tampering investigations, as received from finance by June 2017	49% Electricity meter tampering investigations resolved. (255 received/ 125 resolved)		Broken vehicles were sent to workshop for repairs.	Some vehicles repaired during June 2017 and additional vehicles to be budgeted in the 2017/18 financial year	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective fleet operations					
ELE18	Percentage of all vehicles complaints received resolved	New project	New project	Resolving 90% of all vehicles complaints received by June 2017	73% Vehicle complaints resolved. (1 773 received/ 1 290 resolved)		Old fleet which resulted in no replacement of spare parts and vote depletion before end of financial year.	Replacement of old fleet that will result in less maintenance and less waiting time due to lack of spare parts.	80%

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT



SECTION: PARKS AND CEMETERIES

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To repair the current fence of nature reserve to contain game					
PAR2	Km of fence repaired at Faan Meintjes Nature Reserve	Not achieved. Specifications have been sent to Supply Chain on 18 February 2015	4.3 km fence completed R656 577	Repairing 4.26 km of fence at the Faan Meintjes Nature Reserve by June 2017 R1 800 000	4.26 km fence completed R1 799 883		-	-	N/A

SECTION: CLEANSING SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To purchase mass containers to enhance efficiency and replace old / broken containers					
CLE5	Number of plastic containers (85ℓ) for the MATLOSANA area purchased	New project	New project	Purchasing of 240ℓ and 85ℓ dustbins for the Matlosana area by June 2017 - R4 437 086	Tender was re-advertised. R0		Timeframe for 1 st tender lapsed. Tender had to be re-advertised	Adjudication Committee to finalise the tender 2017/18	R4 000 000

SECTION: FIRE AND DISASTER MANAGEMENT


NR	INDICATOR	MEASURABLE OBJECTIVE :		To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations					
FIR1	Number of fire inspections conducted	914 General fire inspections conducted	847 General fire inspections conducted	Conducting 900 general fire inspections according to programme in the Matlosana area by June 2017	900 General fire inspections conducted		-	-	900 General fire inspections
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR2	Number of ward sessions conducted	12 fire prevention information sessions conducted	12 fire prevention information sessions conducted	Conducting 12 fire prevention information sessions according to programme in identified wards by June 2017	12 Fire prevention information sessions conducted		-	-	Twelve Fire prevention information sessions

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: FIRE AND DISASTER MANAGEMENT


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
FIR3	Number of fire safety campaigns conducted at schools	12 fire safety campaigns conducted	6 fire safety campaigns conducted	Conducting 4 fire safety campaigns for schools in the Matlosana area according to programme by June 2017	4 Fire safety campaigns conducted		-	-	4 Fire safety campaigns

SECTION: TRAFFIC AND MUNICIPAL COURT

NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA1	Number of (K78) multi road blocks	12 (K78) multi road blocks conducted	15 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the Matlosana by June 2017	15 (K78) multi road blocks conducted		-	-	Fifteen (K78) multi road blocks

DIRECTORATE: FINANCIAL SERVICES

SECTION: BUDGET AND TREASURY OFFICE




NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial standing					
BUD16	R value income collected from electricity sales	R435 445 640	R493 768 453	Collecting income from electricity sales (conventional meters) by June 2017 R593 661 480	R471 401 979		Fewer electricity sales and less revenue forgone materialised as budgeted for	Will be accounted for differently in the mSCOA chart of accounting	R555 000 000

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DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: BUDGET AND TREASURY OFFICE


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
BUD17	R value income collected from pre-paid electricity sales	R42 264 457	R14 664 315	Collecting income from pre-paid electricity sales by June 2017 R42 299 000	R0		As a result of new system more power cards and fewer pre-paid cards were sold	Was adjusted in 2016/2017 adjustment budget. Wil be further reduced in 201718 budget. Will be faced out	R15 000 000
BUD18	R value income collected from power cards electricity sales	R41 471 627	R70 034 555	Collecting income from power cards electricity sales by June 2017 R85 000 000	R99 749 440		-	-	R
BUD19	R value income collected from water sales	R272 530 661	R314 535 040	Collecting income from water sales (conventional meters) by June 2017 R441 721 250	R279 167 006		Fewer water sales and less revenue forgone materialised as budgeted for	Will be accounted different for in the mSCOA chart of account	R430 000 000

Chapter 3

DIRECTORATE: MUNICIPAL MANAGER


KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: INTERNAL AUDIT

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct quality assurance improvement programme to comply with legislative requirements					
IA7	Peer-to-peer quality assurance and improvement programme performed	Approved 2015/16 continuous development plan approved by the Audit Committee on the 30 June 2015	Continuous Development Program not approved yet	Performing 1 peer-to-peer quality assurance and improvement programme to be submitted to MM and AC by June 2017	1 Assessment Report submitted		-	-	1 Assessment Report


DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

SECTION: RISK MANAGEMENT

NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Risk assessment to ensure good governance and to comply with legislation					
RIS2	Risk Assessment conducted on emerging risks	2 Risk Assessments conducted	2 Risk Assessments conducted	Conducting 4 Risk Assessments with Council departments on emerging risks by June 2017	4 Risk Assessments conducted		-	-	4 Risk Assessments

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

SECTION: PARKS AND CEMETERIES




NR	INDICATOR	MEASURABLE OBJECTIVE :		To advance aviation facilities to the community and to comply with legislation					
CEM1	Annual airport licence renewed	PC Pelser Airport licence renewed. R3 910	PC Pelser Airport licence renewed R4 310	Renewing the annual PC Pelser Airport licence to obtain authority to operate an airport by June 2017 R5 000	PC Pelser Airport licence renewed R4 640		-	-	R6 000

Chapter 3

DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: OFFICE OF THE CHIEF FINANCIAL OFFICER





Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
FIN1	Percentage of external audit queries answered within required time frame	New project	85% Audit queries answered (164 received / 139 answered)	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by December 2016	91.3% Audit queries answered (207 received / 189 answered)		Large number of exceptions raised in final part of audit; material findings were prioritized	The audit process will be discussed with the new audit team on engagement	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To resolve prior year's audit qualification from the audit report (Audit Action Plan)					
FIN2	No. of 2015/16 audit qualifications resolved from the Auditor-General	No qualifications resolved 0%	3 Qualifications resolved 85%	Resolving qualification numbers 6 and 7 on the 2015/16 Auditor-General's report by June 2017	2 Qualifications 100% resolved		-	-	Resolving qualification number 6
SECTION: INFORMATION COMMUNICATION TECHNOLOGY									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To renew the MicroSoft software licence to comply with legislation					
ICT1	MicroSoft software licence renewed	MicroSoft software licence renewed. R2 284 341	MicroSoft software licence renewed. R688 872	Renewing of the MicroSoft software licence at by September 2016 R2 000 000	Not yet renewed		Expenditure Manager and Microsoft to make arrangements for the payment in foreign exchange	All relevant documentation to be signed and payments to be made in 2017/18 financial year	N/A

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: OCCUPATIONAL HEALTH AND SAFETY




Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS inspections to ensure legal compliance and a safe working 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 2017	120 OHS inspections conducted		-	-	120 OHS inspections
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct OHS audits to ensure that all deviations be corrected according to the Act					
OHS2	Number of OHS audits conducted	Two OHS Audits conducted	Two OHS Audits conducted	Conducting two OHS Audits by June 2017	Two OHS Audits conducted		-	-	Two OHS Audits
SECTION: SKILLS DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with WSP legislation					
SKIL5	Annual WSP / ATR submitted to LGSETA	WSP & ATR 2015/2016 submitted electronically on 30 April 2015	2016/2017 WSP and ATR 2015/2016 document was submitted on the 30th April 2016	Submitting 2017/18 WSP / 2016/17 ATR to LGSETA by April 2017	2017/18 WSP / 2016/17 ATR submitted electronically on 30 April 2017		-	-	2018/19 WSP / 2017/18 ATR submitted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with Employment Equity legislation					
SKIL6	Employment Equity Report submitted to the Department of Labour	2013/14 EE report submitted to Department of Labour on 14 January 2015	2014/15 EE report submitted to the Department of Labour on 19 January 2016	Electronically submitting the 2016/17 Employment Equity Report to Department of Labour by 15 January 2017	2016/2017 EE report was submitted electronically to the Department of Labour		-	-	2018/19 EE report submitted to DoL

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: SKILLS DEVELOPMENT


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Employment Equity Consultative Forum meetings to comply with legislation and implementation of EE plan					
SKIL7	Number of EECF meetings conducted	1 EECF consultative meeting conducted	4 EECF consultative meetings conducted	Conducting 4 EECF consultative meetings by June 2017	1 EECF consultative meeting conducted		Meetings were arranged, but could not sit due to the lack of a quorum	Employment Equity Manager to be appointed	4 EECF consultative meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective human resource management					
SKIL8	Number of skills gaps of all level 1 - 6 personnel identified and employees capacitated	New project	Currently there are 8 Officials from Finance Department undergoing MFMP Training Programme	Identifying the skills gaps of all level 1 - 6 employees in the Corporate and Municipal & Environmental Services directorates and capacitating 100% of by June 2017	Skills Audit was conducted to all Municipal Employees including Corporate and Municipal & Environmental Services officials		-	-	Skills Audit conducted to 4 directorates
SECTION: EMPLOYEE AWARENESS PROGRAMME									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training to create life skills awareness amongst employees					
EAP1	Number of training sessions conducted	4 Life skills training sessions conducted	4 life skills training session (No financial implications, was an in-house training)	Conducting 4 life skills training session for council employees by June 2017	4 Training sessions conducted (HIV / AIDS in the workplace; Peer Educators; Supervisory Training; Substance Abuse)		-	-	4 Training sessions conducted

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION


SECTION: EMPLOYEE AWARENESS PROGRAMME

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct wellness events to create awareness amongst employees					
EAP2	Number of wellness events conducted	2 Wellness events conducted	2 Wellness events conducted	Conducting 2 wellness events for council employees by June 2017 R20 000	2 Wellness events conducted R20 000		-	-	2 Wellness events conducted

SECTION: LABOUR RELATIONS

NR	INDICATOR	MEASURABLE OBJECTIVE : To hold LLF meetings to ensure industrial harmony							
LR1	Number of LLF meetings conducted	0 LLF meetings conducted	7 LLF meetings conducted	Convening 11 LLF meetings by June 2017	8 LLF meetings conducted		Three meetings could not quorate due to interruptions and were postponed	Municipal Manager to intervene	11 LLF meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE : To conduct training sessions on institution of disciplinary action to ensure effective conclusion of disciplinary matters							
LR2	Training sessions for post level 1 - 5 employees on institution of disciplinary action conducted	2 Training sessions conducted	1 Training session conducted	Conducting 2 training sessions for post level 1 - 5 employees on Schedule 8 of the Labour Relations Act on disciplinary procedures by June 2017	2 Training in Disciplinary hearing and procedure were conducted		-	-	2 Training sessions conducted

SECTION: POLITICAL OFFICES



NR	INDICATOR	MEASURABLE OBJECTIVE : To comply with MSA 32 of 2000 Chapter 6 sec 42 to evaluate on service delivery rendered by council							
SPE2	Number of public satisfaction reports submitted to council	New project	A survey was conducted and report compiled but still to be submitted to council	Submitting 4 public satisfaction reports to council to identify and evaluate service delivery within Matlosana area by June 2017	1 Public satisfaction report to council		New personnel in office, survey forms and programme only designed in 3 rd quarter	Reports to be submitted quarterly in 2017/18	4 Public satisfaction reports to council

Chapter 3

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: COMMUNICATIONS AND MARKETING




Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters to ensure transparency with Council affairs					
COM3	Number of internal newsletters compiled & distributed to all employees of Council	6 Internal newsletters distributed	6 Internal newsletters distributed	Compiling & distributing 6 internal newsletters to all employees of Council by June 2017	6 Internal newsletters distributed		-	-	6 Internal newsletters distributed
COM4	Number of external newsletters compiled & distributed regarding Council affairs to the community		1 External newspaper distributed	Compiling & Distributing 5 external newsletter regarding Council affairs to the community June 2017	4 External newspaper distributed		1 Newsletter could not be printed due to budget constraints and bad planning.	To be monitored every six (6) weeks.	1 External newspaper distributed

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

SECTION: POLITICAL OFFICES


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To award matric excellency awards to students in MATLOSANA area to assist with education					
EM2	Number of matric excellency awarded to students in Matlosana area to assist with education	Monitoring was done telephonically	Awards awarded R 640 000	Awarding 27 matric excellency awards to students in Matlosana area to further their studies by March 2017 R640 000	27 Awards awarded R485 000		-	-	22 Awards awarded R640 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To award and monitor bursaries and awards to students in MATLOSANA area to assist with education					
EM3	Number of financially needed students in the Matlosana area awarded and monitored	Monitoring was done telephonically	55 Financially needed students awarded R682 500	Awarding and monitoring financially needy students in the Matlosana area to further their studies by June 2017 R1 015 000	77 students were awarded R942 142 Monitoring was done telephonically		-	-	62 Awards awarded R1 350 000
DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct consultations meeting to share information with all relevant 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 2017	12 LED consultation meetings conducted		-	-	12 LED consultation meetings conducted

Chapter 3


DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT

SECTION: LOCAL ECONOMIC DEVELOPMENT

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops to capacitate SMME's					
LED5	Number of SMME workshops conducted to capacitate SMME's	6 SMME workshops conducted	4 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's by June 2017	4 SMME workshops conducted		-	-	4 SMME workshops conducted

SECTION: COMMUNICATIONS AND MARKETING



NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance the image of the city and to ensure an informed community					
COM5	R value spent on publicity	New project	Branding material purchased. R100 000	Spending on publicity on outdoor advertising by June 2017 R150 000	R134 124		-	-	R200 000

Chapter 3



DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: TOWN-PLANNING AND BUILDING CONSTRUCTION

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TBS1	R value income collected from building plan application	R746 813	R1 006 901	Collecting income from building plan applications by June 2017 R743 318	R787 246		-	-	R830 000
TBS2	R value income collected from land use / development applications	R113 902	R110 128	Collecting income from land use / development applications by June 2017 R159 000	R84 217		Application received is not within the control of the section. An adjustment was requested, but it was not approved	Income to be lowered in the 2017/18 financial year	R159 000

SECTION: ELECTRICAL DISTRIBUTION


NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
ELE16	R value income collected from bulk connection sales	New project	New project	Collecting income from bulk connections sales by June 2017 (To be ring fenced for maintenance) R700 000	R 447 795		Less bulk connections requested than expected	Income depend on demand from public. Target to be lowered in the 2017/18 financial year	R
ELE17	R value income collected from spot fines on electricity tampering	New project	New project	Collecting income from spot fines on electricity tampering by June 2017 R 1 059 000	R 430 677		Less fines issued and paid than expected	Target to be lowered in the 2017/18 financial year	R1 059 000

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: SPORT AND RECREATION

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
SPO4	R value income collected from rental agreements sport grounds	R99 872	R33 937	Collecting income from rental agreements of sport grounds by June 2017 R160 000	R155 725		Some agreements not yet finalized	Follow up will be done with Legal Services	R430 000

SECTION: LICENSING SERVICES


NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIC1	R value income collected from driver's licenses	R5 820 760	R6 320 016	Collecting income from driver's licenses (excluding Prodiba fees) by June 2017 R6 890 000	R6 621 367		Income depends on how public make use of the service. An adjustment was requested, but it was not approved	Promote licensing services. Income to be lowered in the 2017/18 financial year	R6 700 000
LIC2	R value income collected from vehicle registration and licensing / renewals	R9 885 896	R10 370 251	Collecting income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission by June 2017 – R9 835 294	R 10 717 594		-	-	R10 435 247
LIC3	R value income collected from motor vehicle testing	R501 792	R611 634	Collecting income from Motor Vehicle Testing by June 2017 R 481 527	R 585 760		-	-	R480 000

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: LICENSING SERVICES


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
LIC4	R value income collected from businesses, hawkers and stands	R467 546	R424 900	Collecting income from businesses, hawkers and stands by June 2017 R364 206	R375 969		-	-	R373 854

SECTION: TRAFFIC AND SAFETY

NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
TRA3	R value income collected from outstanding traffic fines	New project	R1 547 170	Collecting income on traffic fines by June 2017 R5 984 115	R 1 017 961		Non-performance of service provider – contract has been terminated	Tender process was followed. New service provider to be appointed	R6 366 000
TRA4	R value income collected from warrants of arrest	New project	R477 250	Collecting income on warrant of arrests by June 2017 R400 000	R339 400		Non-performance of service provider – contract has been terminated	Tender process was followed. New service provider to be appointed	R500 000

DIRECTORATE: FINANCIAL SERVICES

SECTION: BUDGET AND TREASURY





NR	INDICATOR	MEASURABLE OBJECTIVE :		Ensure that all applicable budget related documents are published on the municipal website as required by the MFMA					
BUD15	% of budget related documents published	New project	100%	Publishing 100% of all approved budget related documents on the municipal website by June 2017	100% 4 Documents approved / 4 documents published on website		-	-	100%

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DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: ASSET MANAGEMENT


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all municipal assets are accounted for					
ASS1	2016/17 Asset count completed and reported	90% completed	Asset count and report to municipal manager	Completing the 2016/17 asset count and submitting report to municipal manger by June 2017	Asset count completed and report to municipal manager		-	-	2017/18 Asset count completed
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance a clean audit					
ASS2	2015/16 Asset register 100% reconciled	90%	2014/15 Asset register 100% reconciled to FS R101 128 268	Reconciling the 2015/16 asset register 100% to the financial statements by August 2016	2015/16 Asset Register 100% reconciled. As per 2015/16 Annual Financial Statements		-	-	2016/17 Asset Register 100% reconciled
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with GRAP17					
ASS3	% of all identified assets on register	New project	100%	Ensuring that 100% of all identified assets are registered in the asset register by June 2017	100%		-	-	100%
SECTION: REVENUE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain the current valuation roll to comply with legislation					
RM2	Existing valuation roll maintenance	Upload valuation roll on financial system R0	Updating categories and tariffs R692 642	Maintaining the existing valuation roll with supplementary entries by June 2017 R700 000	Updating of categories and tariffs are completed R45 150		-	-	Updating categories and tariffs

Chapter 3


DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: REVENUE MANAGEMENT

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the financial sustainability of the municipality and optimization of revenue					
RM3	Revenue enhancement improved and optimized	New project	New project	Improving revenue enhancement by identifying areas where council is not billing or is billing incorrectly by June 2017	29 828 service accounts were updated on the system with a backdated journal to the value of R38m. Registering meter data is still in process by finance staff.		-	-	Linking meters to rightful users

SECTION: EXPENDITURE


NR	INDICATOR	MEASURABLE OBJECTIVE :		To control credit management to ensure timeous payment of creditors and service providers					
EXP1	% payment within 30 days from date of invoice/statement	162 Days	85% (Estimated 3000 creditors and 2500 were paid)	Settling 85% of all payments (creditors) done within 30 days of receipt of invoice / statement by June 2017	70% (70% on bulk services and 70% on other creditors)		Insufficient payment of services by consumers affect the rate of payments to suppliers	Increased credit control actions should address the current status	65%

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: ADMINISTRATION - MUNICIPAL HALLS


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
ADM4	R value income collected from rental of council halls	New project	R511 045	Collecting income on the rental of council halls by June 2017 R395 842	R446 539		-	-	R

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

SECTION: COMMUNICATIONS AND MARKETING

NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
COM1	R value spent on marketing activities	Paying Star FM and marketing activities. R157 584	R196 600	Spending on marketing activities according to Marketing Plan by June 2017 - R200 000	R199 875		-	-	R200 000
COM2	R value spent on communication programmes	R168 380	R27 600	Spending on communication programmes (internal and external newsletters) by June 2017 - R200 000	R197 384		-	-	R200 000

SECTION: FRESH PRODUCE MARKET






NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the fresh produce market to ensure a well-informed community					
FPM3	R value spent on fresh produce market programmes	New project	New project	Spending on fresh produce market programmes by June 2017 R200 000	R198 405		-	-	R200 000

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DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

SECTION: FRESH PRODUCE MARKET


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
FPM4	Total income collected from rental estate	R1 016 618	R943 780	Total income collected from rental estate by June 2017 R1 343 236	R1 096 318		Market restaurant remains unoccupied, therefore there is no rental income.	Market restaurant to be advertise for occupancy	R1 355 814
FPM5	Total income collected from ripening and cooling rooms	R1 293 571	R1 043 620	Total income of R1 343 236 collected from ripening & cooling rooms by June 2017 R1 303 783	R783 877		Some of the cold and ripening rooms were out of order	Repairs were completed in June 2017	R1 425 173
FPM6	Total income collected from market commission (dues)	R14 928 306	R15 226 419	Total income collected from market commission (dues) by June 2017 R17 000 000	R16 616 277		Actual performance is incorrectly captured due to the new financial system. Correct amount is R18 075 578	Journal to be written to correct the figures	R18 037 000
FPM7	Total income collected from rental of carriages	R128 503	R132 309	Total income collected from rental of carriages by June 2017 R123 131	R150 670		-	-	R200 000
FPM8	Total income collected from agent selling transaction fees	R62 948	R77 018	Total income collected from agent selling transaction fees by June 2017 R71 937	R81 265		-	-	R118 765

Chapter 3



DIRECTORATE: MUNICIPAL MANAGER

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: OFFICE OF THE MUNICIPAL MANAGER

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conducted quarterly reviews to comply with legislation					
MM9	4 Quarterly reviews with section 56 employees conducted	Not done	1st & 2nd quarter assessments conducted	Conducting 4 quarterly reviews with section 56 employees by June 2017	4 Quarterly reviews with section 56 employees conducted		-	-	7 Quarterly assessments conducted

SECTION: INTERNAL AUDIT




NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Audit Committee Meetings to ensure good governance					
IA1	Number of Audit Committee meetings held to ensure an effective discharging of responsibilities	6 Audit Committee meetings held	6 Audit Committee meetings held	Holding 4 Audit Committee meetings to ensure an effective discharging of responsibilities by June 2017	8 Audit Committee meetings held		-	-	4 Audit Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue Performance Information Audit Reports to ensure compliance with legislation					
IA2	Number 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 the Audit Committee to assess the efficiency and effectiveness of performance achieved by Council by June 2017	4 Performance information audit reports issued		-	-	4 Performance information audit reports issued

Chapter 3

DIRECTORATE: MUNICIPAL MANAGER

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: INTERNAL AUDIT


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To report on recommendations raised by internal audit and AG to ensure sound financial and administrative management					
IA3	Number of action plan register and progress reports on the Auditor General's report and Internal Auditor's findings submitted to the Audit Committee	New project	New project	Submitting 4 progress reports on the updated action plan register to the Audit Committee on findings raised by the Auditor General and Internal Audit by June 2017	4 Progress reports on the IA action plan register submitted to Audit Committee		-	-	4 Progress reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue activity reports to ensure good governance					
IA4	Number activity reports issued to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans	4 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 2017	4 Activity reports issued		-	-	4 Activity reports issued
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adopt the Internal Audit Charter to comply with legislation					
IA5	Reviewed IA Charter adopted in accordance with IIA standards	Reviewed 2015/16 Audit Charter adopted	Reviewed 2016/17 Audit Charter adopted	Adopting the reviewed IA Charter (2017/18) in accordance with IIA standards by June 2017	Reviewed 2017/18 Audit Charter adopted		-	-	Reviewed 2018/19 Audit Charter

Chapter 3

DIRECTORATE: MUNICIPAL MANAGER



KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: INTERNAL AUDIT

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk Based Audit Plan to ensure					
IA6	3-Year Risk Based Audit Plan 2017/18 submitted to the Audit Committee for approval	3-Year Risk Based Audit Plan 2015/16 submitted to Audit Committee	3-Year Risk Based Audit Plan 2016/17 submitted to Audit Committee	Submitting a 3-Year Risk Based Audit Plan 2017/18 to the Audit Committee for approval by June 2017	3-Year Risk Based Audit Plan 2017/18 submitted to Audit Committee		-	-	3-Year Risk Based Audit Plan 2018/19

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

SECTION: DIRECTOR





NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DSPMC1	% of Resolutions implementation within required timeframe	New project	100% (18 Received / 18 Resolved)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	100% (58 Received / 58 implemented)		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DSPMC2	% of all identified high risks managed by implementing corrective measures	New project	New project	Managing 90% of all identified high risks by implementing corrective measures by June 2017	100% (1 Received / 1 Resolved)		-	-	80%

Chapter 3

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR




Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DSPMC3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DSPMC4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-	-	Credible 2018/19 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DSPMC5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided
SECTION: PERFORMANCE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2015/16 Annual Performance Report to comply with section 46 of the MSA					
PMS1	2015/16 Annual Performance Report approved by the Municipal Manager	2013/14 Annual Performance Report approved by Municipal Manager	2014/15 Annual Performance Report approved by Municipal Manager	Approving the 2015/16 Annual Performance Report by the Municipal Manager by August 2016	2015/16 Annual Performance Report approved by Municipal Manager on 29 August 2016 MM 234/2016		-	-	2016/17 Annual Performance Report approved

Chapter 3

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: PERFORMANCE MANAGEMENT





Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2015/16 Annual Performance Report (Draft / Unaudited Annual Report) to comply with section 121 and Circular 63 of MFMA					
PMS2	2015/16 Annual Performance Report (Draft / Unaudited 2015/16 Annual Report) tabled before Council	Draft / Unaudited 2013/14 Annual Report tabled CC 106/2014 dated 28/08/2014	Draft / Unaudited 2015/16 Annual Report approved by Administrator MM 135/2015 & ADM 31/2015 dated 31 August 2015	Tabling the 2015/16 Annual Performance Report (Draft / Unaudited 2015/16 Annual Report) before Council by 30 September 2016	2015/16 Annual Performance Report (Draft / Unaudited 2015/16 Annual Report) approved by Council on 30 August 2016 CC 60/2016		-	-	2016/17 Annual Performance Report (Unaudited Annual Report) approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	2016/17 Mid-Year Assessment Report approved by the Executive May	2014/15 Mid-Year Assessment Report approved SP CC 2/2015 dated 30 January 2015	2015/16 Mid-Year Assessment Report approved CC 2/2016 dated 29 January 2016	Approving the 2016/17 Mid-Year Assessment Report by the Executive Mayor by 23 January 2017	2016/17 Mid-Year Assessment Report approved. EM02/2017 dated 23/01/2017 C16/2017 dated 31/01/2017		-	-	2017/18 Mid-Year Assessment Report approved
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft SDBIP to comply with legislation					
PMS5	Draft 2017/18 SDBIP tabled by Council	Draft 2015/16 SDBIP tabled SP CC 38/2015 dated 29/05/2015	Draft 2016/17 SDBIP tabled CC 17/216 dated 31 May 2016	Tabling draft 2017/18 SDBIP by Council by May 2017	Draft 2017/18 SDBIP tabled. CC103/2017 dated 31/05/2017		-	-	Draft 2018/19 SDBIP tabled

Chapter 3

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: INTEGRATED DEVELOPMENT PLAN


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from local community for prioritization of projects					
IDP2	Number community consultations meetings conducted	2 Community consultations meetings conducted	3 Community consultations meetings conducted	Conducting 2 community consultations meetings by May 2017	2 Community consultations meetings conducted		-	-	2 Community consultations meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation to comply with legislation and obtain inputs from external sector departments					
IDP3	Number Rep Forum meetings conducted	2 Rep Forum meetings conducted	2 Rep Forum meetings conducted	Conducting 2 Rep Forum meetings by June 2017	2 Rep Forum meetings conducted		-	-	2 Rep Forum meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft IDP to comply with legislation					
IDP4	Table the draft 2017/22 IDP in Council	Draft 2015/16 IDP tabled SP CC 19/2015 dated 31/03/2015	Draft 2016/17 IDP tabled CC 6/2014 dated 29 April 2016	Tabling the draft 2017/22 IDP in Council by March 2017	Draft 2017/22 IDP tabled on 30 March 2017 CC 54/2017		-	-	Draft 2018/19 Review IDP tabled
SECTION: RISK MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk management report to the Risk Management Committee to ensure good governance					
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 2017	4 Risk management reports submitted		-	-	4 Risk management reports

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DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: RISK MANAGEMENT

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop strategic documents to ensure good governance and to comply with legislation					
RIS5	Risk management strategic documents reviewed and approved by the municipal manager and council	New project	New project	Approving the risk management strategic documents (Charter, framework, implementation plan, tolerance & appetite) by the municipal manager and council by June 2017	Risk Management Implementation Plan approved Municipal Manager. Not yet approved by council.		The Risk Management framework is submitted to corporate service and awaiting for the next policy work	The framework will be approved by council after the next policy workshop	Risk Management Implementation Plan approved Municipal Manager

SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE




NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor the municipality's performance and financial situation by conducting regular MPAC meeting					
MPAC1	Number of MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana conducted	New project	13 Public participation (s 79) meetings conducted	Conducting 10 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2017	15 Public participation (s 79) meetings conducted		-	-	10 Public participation (s 79) meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor the municipality's performance and financial situation by conducting regular MPAC meeting					
MPAC2	Number of MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana conducted	New project	1 Section 32 meetings conducted	Conducting 10 section 32 meetings to monitor the performance and financial situation in the City of Matlosana by June 2017	10 Section 32 meetings conducted		-	-	10 Section 32 meetings conducted

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DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE





Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue MPAC progress reports to ensure compliance with legislation					
MPAC3	Number 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 2017	6 MPAC progress reports submitted		-	-	4 MPAC progress reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation on the results of the Annual Report to comply with legislation					
MPAC4	Number of public participation meetings conducted on the results of the Annual Report	2 Public participation meeting conducted	1 Public participation meeting conducted	Conducting 1 public participation meeting on the results of the Annual Report by March 2017	2 Public Participation Preparatory meetings and 1 Public Participation Meeting		-	-	1 Public participation meeting
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct public hearings on the final report of the Auditor General to comply with legislation					
MPAC5	Number of public hearings conducted on the final report of the Auditor General	New project	3 Public hearings conducted	Conducting 2 public hearings on the final report of the Auditor General by March 2017	7 Public hearings conducted		-	-	4 public hearings conducted

Chapter 3

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DCSHS1	% of Resolutions implementation within required timeframe	New project	81% (32 Received / 26 Resolved)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	93% (28 Received / 26 implemented)		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCSHS2	% of all identified high risks managed by implementing corrective measures	New project	92% (12 received /11 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	36% 11 Received / 4 mitigated (Status quo – 8 high risks)		Delays experience with funding; vacant positions not filled & shortage of resources	Vacant positions to be filled as soon as possible and financial matters to be addressed in 2018/19	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DCSHS3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCSHS4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-	-	Credible 2018/19 IDP inputs provided

Chapter 3

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS




KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DCSHS5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

SECTION: DIRECTOR



NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DEME1	% of Resolutions implementation within required timeframe	New project	100% (4 Received / 4 Implemented)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	100% (23 Received / 23 implemented)		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DEME2	% of all identified high risks managed by implementing corrective measures	New project	80% (10 received / 8 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	80% (10 received / 8 mitigated)		Non-responsive training supervisory & shortage of resources	Risk acceptance and good planning in new financial year	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DEME3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided

Chapter 3

DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING



KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DEME4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-	-	Credible 2018/19 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DEME5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

SECTION: DIRECTOR





NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DMES1	% of Resolutions implementation within required timeframe	New project	75% 57 Received / 43 Resolved)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	98.82% (85 Received / 84 implemented)		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DMES2	% of all identified high risks managed by implementing corrective measures	New project	27% (15 received / 4 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	22% 9 Received / 2 mitigated (Status quo – 7 high risks)		Financial constrains to install CCTV camera at Museum. Museum building is not designed to accommodate the disabled	Maintained existing cameras and moved one to the front. To apply for Grant in August 2017.	80%

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DMES3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DMES4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-	-	Credible 2018/19 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DMES5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided
SECTION: PARKS AND CEMETERIES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the airport effectively to comply with legislation					
CEM2	Number of inspections conducted at airport	4 Inspections conducted	4 Inspections conducted	Conducting 12 inspections at PC Pelsier Airport to ensure aviation safety by June 2017	12 Inspections conducted		-	-	4 Inspections conducted

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: PARKS AND CEMETERIES

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host annual arbour event for the community of Matlosana (educational project) to promote a sustainable environment					
PAR1	Number of arbour events hosted	1 Arbour Day hosted	1 Arbour Day hosted	Hosting 1 Arbour Day event (educational project) by September 2016	1 Arbour Day event hosted on 23 September 2016		-	-	1 Arbour Day hosted

SECTION: LIBRARY SERVICES




NR	INDICATOR	MEASURABLE OBJECTIVE : To present awareness programmes to promote library awareness amongst adults, learners and youth							
LIB3	Number of awareness programmes presented at all Matlosana schools	24 Awareness programmes presented	31 Awareness programmes presented	Presenting 25 awareness programmes at schools and other venues in the Matlosana area by June 2017	36 Awareness programmes presented		-	-	32 Awareness programmes presented
LIB4	Number of awareness programmes presented at libraries in the Matlosana area	145 Awareness programmes presented	162 Awareness programmes presented	Presenting 145 awareness programmes at all Matlosana libraries by June 2017	179 Awareness programmes presented		-	-	160 Awareness programmes presented
LIB5	Number of library interest events presented	53 Library interest events presented	55 Library interest events presented	Presenting 45 library interest events in the Matlosana area by June 2017	57 Library interest events presented		-	-	50 Library interest events presented

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: MUSEUM AND HERITAGE

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
MUS1	Number of consultation sessions convened	109 Consultation sessions convened	131 Consultation sessions convened	Convening at least 125 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2017	135 Consultation sessions convened		-	-	130 Consultation sessions convened
MUS2	Number of lifelong skills development programs presented	36 Lifelong skills development programs presented	33 Lifelong skills development programs presented	Presenting at least 35 lifelong skills development programs to unemployed women, youth and physical disadvantage persons to empower them to develop entrepreneurial skills by June 2017	41 Lifelong skills development programs presented		-	-	36 Lifelong skills development programs presented
MUS3	Number of educational programs presented	99 Educational programs presented	116 Educational programs presented	Presenting at least 105 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of Matlosana in particular by June 2017	114 Educational programs presented		-	-	110 Educational programs presented

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: MUSEUM AND HERITAGE

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage heritage resources by promoting heritage awareness					
MUS4	Number of heritage awareness projects convened	10 Heritage awareness projects convened	11 Heritage awareness projects convened	Convening 10 heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity by June 2017	12 Heritage awareness projects convened		-	-	10 Heritage awareness projects convened

SECTION: SPORT AND RECREATION

NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure sound sport administration					
SPO1	To ensure sound sport administration	6 Sport council meetings conducted	5 Sport council meetings conducted	Conducting 6 sport council meetings to ensure the smooth running of sport clubs by June 2017	5 Sport council meetings conducted		The April meeting was postponed due to no quorum	Meeting was combined with May meeting	6 Sport council meetings conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To regulate the usage of Council facilities by sport clubs					
SPO2	To regulate the usage of Council facilities by sport clubs	New project	23 Lease contracts renewed	Renewing 27 lease contracts with various sport clubs using Council facilities by June 2017	11 Lease contracts renewed		Lease contract are still with Legal Services.	Legal Services to finalise lease contracts	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct sport events to develop sport in the Matlosana area					
SPO3	To conduct sport events to develop sport in the Matlosana area	6 Sport events conducted	5 Sport events conducted	Conducting 4 sport events to ensure the promotion of sport in the Matlosana area by June 2017 R130 000	4 Sport events conducted R99 722		-	-	8 Sport events conducted

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DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES




KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: TRAFFIC AND SAFETY

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
TRA2	Number of traffic and road safety campaigns conducted at schools & crèches	31 Traffic and road safety campaigns conducted	36 Traffic and road safety campaigns conducted	Conducting 36 traffic and road safety campaigns at schools and crèches in the Matlosana area according to program by June 2017	48 Traffic and road safety campaigns conducted		-	-	36 Traffic and road safety campaigns conducted

DIRECTORATE: FINANCIAL SERVICES

SECTION: DIRECTOR






NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
FIN3	% of Resolutions implementation within required timeframe	New project	100% (50 Received / 50 Resolved)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	19 Received / 19 Implemented 100%		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
FIN4	% of all identified high risks managed by implementing corrective measures	New project	45.45% (11 received / 5 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	100% 3 Received / 3 mitigated (Status quo – 0 high risks)		-	-	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
FIN5	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	Credible 2014/15 Annual Report input provided	Credible 2015/16 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-		Credible 2018/19 IDP inputs provided

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DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
FIN6	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-		Credible 2018/19 IDP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
FIN7	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided
SECTION: BUDGET AND TREASURY OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD5	2017/18 Budget planning process time table tabled	2015/16 Budget Process Plan tabled and approved. CC 102/2014	2016/17 Budget Process Plan submitted tabled. ADM 29/2015 dated 31/08/2015	Tabling the 2017/18 budget planning process time table by 31 August 2016	2017/18 Budget Process Plan tabled. CC 55/2016 dated 30 August 2016		-	-	2018/19 Budget Process Plan tabled
BUD6	2017/18 Draft budget approved	2015/16 Draft Budget approved CC 18/2015 dated 31/03/2015	2016/17 Draft budget approved. CC 7/2014 Tabled 29 March 2016	Approving the 2017/18 draft budget by 31 March 2017	2017/18 Draft budget approved. CC 14/2017 dated 30/3/2017		-	-	2018/19 Draft budget approved
BUD8	2017/18 Budget related policies approved	2015/16 Budget policies & tariffs approved SP CC 36/2015 - 29 May 2015	2016/17 Budget policies & tariffs approved CC 12/2016 - 31 May 2016	Approving the final 2017/18 budget related policies and tariffs by 31 May 2017	2017/18 Budget policies & tariffs approved. CC 99/2017 dated 31/05/2017		-	-	2018/19 Budget policies & tariffs approved

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DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION



SECTION: BUDGET AND TREASURY OFFICE

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Adjustment Budget to comply with legislation					
BUD9	2016/17 adjustment budget approved	2014/15 Adjustment budget approved CC 12/2015 dated 12/03/2015	2015/16 Adjustment budget was approved. CC 5/2016 on 29/02/2016	Approving the 2016/17 adjustment budget by 28 February 2017	2016/17 Adjustment Budget approved. CC 37/2017 dated 28/02/2017		-	-	2017/18 Adjustment Budget approved

SECTION: INFORMATION COMMUNICATION TECHNOLOGY

NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective IT systems for municipal processes					
ICT2	% of queries responded to within 10 working days	New project	94% (2 423 received / 2 281 resolved)	Resolving 90% of all IT queries received within 10 working days by June 2017	97% (1 719 received / 1 665 resolved)		-	-	85%

SECTION: SUPPLY CHAIN MANAGEMENT





NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
SCM1	Percentage of SLA are signed to all allocated tenders	New project	75%	Ensuring 100% of all allocated tenders / projects are forwarded to Legal for SLA to be signed by June 2017	89.3% 28 Received / 25 signed		SLA's for 3 tenders are still outstanding due to pending investigation on their appointment / pricing	Finalize tenders	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To review and approve the 2017/18 SCM policy in order to comply with legislation					
SCM2	2017/18 Supply chain management policy reviewed and approved	New project	SCM policy internally reviewed	Reviewing and approving the 2017/18 supply chain management policy by June 2017	Reviewed and approved SCM policy. CC45/2017 dated 31 May 2017		-	-	2018/19 SCM Policy approved

Chapter 3

DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: SUPPLY CHAIN MANAGEMENT




Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :	Ensure that all supply chain management awards are published on the municipal website as required by the MFMA						
SCM3	% of supply chain management awarded for publishing	New project	New project	Forwarding 100% of all supply chain management contracts in terms of Section 75(1)(g) of the MFMA to the ICT section for publishing on the municipal website by June 2017	0 % contracts published on municipal website only tenders were placed on municipal website		Communication and change of SCM heads caused delays in publishing contracts	All contracts will be placed on municipal website by September 2017	100% published
NR	INDICATOR	MEASURABLE OBJECTIVE :	To implement Internal Co-operation and Controls to ensure compliance with legislation						
SCM4	Number of meetings of the Specification Committee conducted	9 Specification committee meetings conducted	N/A	Conducting at least 8 meetings of the Specification Committee by June 2017	10 Specification committee meetings conducted		-	-	10 meetings conducted
SCM5	Number of meetings of the Evaluation Committee conducted	10 Evaluation committee meetings conducted	14 Evaluation committee meetings conducted	Conducting at least 10 meetings of the Evaluation Committee by June 2017	13 Evaluation committee meetings conducted		-	-	10 meetings conducted
SCM6	Number of meetings of the Adjudication Committee conducted	12 Adjudication committee meetings conducted	15 Adjudication committee meetings conducted	Conducting at least 10 meetings of the Adjudication Committee by June 2017	13 Adjudication committee meetings conducted		-	-	10 meetings conducted

Chapter 3

DIRECTORATE: FINANCIAL SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: SUPPLY CHAIN MANAGEMENT





Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM7	Number of SCM capacity building workshops for council employees conducted	6 SCM workshop conducted	6 SCM workshop conducted	Conducting 8 SCM capacity building workshops for council employees by June 2017	5 SCM workshop conducted		Shortage of staff and SCM processes which were interrupted by service providers	To reduce target for the next financial year	4 SCM workshop conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Supply Chain Management policy to comply with legislation					
SCM8	Supply Chain Management policy implemented	New project	New project	Submitting 4 quarterly reports on the implementation of SCM policy to council and make public by June 2017	3 Quarterly reports		It was an oversight that 2nd quarter report was not submitted as SCM was being restructured	Ensure that quarterly reports be submitted in the 2017/18 financial year	4 Quarterly reports
NR	INDICATOR	MEASURABLE OBJECTIVE :		To give content to the Financial Recovery Plan					
SCM9	Number of procurements awarded in terms of Regulation 36 minimized	New project	New project	Minimizing procurements awarded in terms of Regulation 36 from 12 to 6 by June 2017	11 Regulation 36 procurements		Due to a moratorium on procurement processes by Provincial Government. Some of the contracts had to be extended as there was a need for those services.	Procurement plan is going to assist us to ensure that procurement is done on time to avoid extension of contracts thereby limiting deviations per Regulation 36.	6 Regulation 36 procurement s

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DCS1	% of resolutions implementation within required timeframe	New project	90%	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	92% 39 Received / 36 Implemented		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCS2	% of all identified high risks managed by implementing corrective measures	New project	86.92% (13 received / 10 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	0% Two received / 0 mitigated (Status quo – two high risks)		1. Continuation of OH&S inspection and awareness making to Directors of risks. 2. Awaiting Personnel development plan from COGTA to be implement	1. Risk to request MM to address Directors on importance of OH&S. 2. COGTA is in process of compiling Personnel Development Plan for Council	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DCS3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCS4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-		Credible 2018/19 IDP inputs provided

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DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DCS5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided

SECTION: ADMINISTRATION




NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct section 50 committees meetings to ensure comply with legislation to take informed decisions					
ADM1	Number of sec.50 committees meetings (Portfolio Meetings) conducted	72 (sec.80) committees and 13 special committee meetings conducted	50 (sec. 80) committees meetings and 6 special meetings conducted	Conducting 50 (sec.80) committees meetings (Portfolio Meetings) by June 2017	60 (sec. 80) committees meetings and 10 special meetings conducted		-	-	50 (sec. 80) committees meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Mayoral Committee meetings to comply with legislation to align with political mandate					
ADM2	Number of Mayoral Committee meetings conducted	4 Mayoral Committee, 3 Admin and 11 Sp. MayCo meetings conducted	5 Administrator meetings conducted	Conducting 5 Mayoral Committee meetings by June 2017	6 Mayoral Committee and 12 Special Mayoral Committee meetings conducted		-	-	11 Mayoral Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective Council administration and compliance with legislation in order to convey feedback after considering political and community mandate					
ADM3	Number of ordinary council meetings conducted	6 Council and 14 Special Council meetings conducted	8 Council meetings conducted	Conducting 10 Council meetings by June 2017	7 Council meetings and 17 Special Council meetings conducted		-	-	11 Council meetings conducted

Chapter 3

DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: LEGAL SERVICES


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the Council's Contract Register to ensure proper control and keeping of record of contracts					
LEG1	Contract management system managed and relevant department informed within three 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 issued. Register was updated	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 2017	4 Notices issued. Updated Register. Progress report to Council. CC /2017 dated		-	-	Notices issued. Updated Register. Progress report to Council
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LEG2	Percentage of SLA signed to all allocated tenders, as received from SCM	New project	100%	Ensuring 100% SLAs are signed to all allocated tenders / projects as received from SCM by June 2017	94% 16 documents received / 15 SLAs signed)		One agreement was sent to the User Department and is still outstanding	Collect unsigned document from user department and have it signed	100%
SECTION: LAND AFFAIRS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To recover non-paid Council sold stands to address the shortage of land for Council					
LAN1	Non-paid Council sold stands older than ten years recovered	New project	Continuously writing letters of intent to purchase. Council Attorneys are also continuously engaged to scrutinize the transactions	Recovering all non-paid Council sold stands older than ten years by June 2017	Continuously writing letters of intent to purchase Council Attorneys are continuously engaged to peruse the transactions in order to finalise them		-	-	Recover resolved stands

Chapter 3



DIRECTORATE: CORPORATE SERVICES

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: LAND AFFAIRS

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve revenue enhancement and rectify the asset register					
LAN2	Ownership of all school land parcels owned by the municipality, but developed and utilized by the Dep of Education to Public Works transferred	New project	New project	Transferring of ownership of all school land parcels owned by the municipality, but developed and utilized by the Department of Education to Public Works by June 2017	Finance implemented CC 36/2017 - 28/02/2017, Clearance Certificate issued and all the documents sent to DPWRT to send to the State Attorney for Lodgement at the Deeds Office		State Attorney has lodged at Deeds Office, but transfer has not taken place yet, since some of the original Title Deeds are missing from the Deeds Office	State Attorney must apply for the copies to be used as originals	All properties concerned registered at the Deeds Office and project completed

SECTION: POLITICAL OFFICES





NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a Mandela Day event to do goodwill to each other					
EM4	Mandela Day event hosted	Mandela Day hosted on 18 July 2014 R60 132	Mandela Day hosted on 18 July 2015 R14 654	Hosting one Mandela Day event by July 2016 R70 000	Mandela Day event hosted on July 2016 R 22 500		-	-	Mandela Day event hosted R 40 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct moral re-generations workshops as per national legislation to promote social development within communities					
WH11	Number of moral re-generation workshops and events in Matlosana conducted	New project	2 workshops and one community event conducted. R93 440	Conducting 2 moral re-generation workshops and 2 community events (as per programme) in Matlosana by June 2017 - R300 000	2 Workshops and 2 community events conducted. R267 275		-	-	Two workshops and two community events R265 000

Chapter 3

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

SECTION: DIRECTOR


Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of council is executed					
DMCPD1	% of resolutions implemented within required timeframe	New project	91% (100 received / 91 implemented)	Implementing 90% of all Municipal Manager / MayCo / Council resolutions by June 2017	91% 43 Received / 39 Implemented		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DMCPD2	% of all identified high risks managed by implementing corrective measures	New project	86% (14 received / 12 mitigated)	Managing 90% of all identified high risks by implementing corrective measures by June 2017	50% 6 Received / 3 mitigated (Status quo – three high risks)		Budget constraints and bad planning as well as late appointment of service providers for security system.	To be reviewed every quarter.	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure the that the quality of the information is on an acceptable standard					
DMCPD3	Directorate's 2015/16 Annual Report input provided before tabling of the draft annual report	New project	Credible 2014/15 Annual Report input provided	Providing the directorate's 2015/16 Annual Report input before the draft annual report is tabled by August 2016	Credible 2015/16 Annual Report input provided		-	-	Credible 2016/17 Annual Report input provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DMCPD4	Directorate's IDP inputs provided before the 2017/18 IDP is tabled	New project	Credible 2016/17 IDP inputs provided	Providing the directorate's IDP inputs before the 2017/18 IDP is tabled by 30 May 2017	Credible 2017/18 IDP inputs provided		-		Credible 2018/19 IDP inputs provided

Chapter 3


DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION


SECTION: DIRECTOR

Operational		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the all the directorates KPI's are catered for					
DMCPD5	Directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted	New project	Credible 2016/17 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2017/18 SDBIP is submitted by 25 May 2017	Credible 2017/18 SDBIP inputs provided		-	-	Credible 2018/19 SDBIP inputs provided

SECTION: LOCAL ECONOMIC DEVELOPMENT

NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the SMME Policy in order to comply with legislation					
LED6	SMME Policy revised	Policy submitted to Council	Policy revised, but not workshopped with councillors yet	Revising the SMME Policy by June 2017	Revised SMME Policy approved. CC97/2017 dated 31/05/2017		-	-	N/A

SECTION: COMMUNICATIONS AND MARKETING

NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Events Management Policy to create internal and external awareness on corporate communication					
COM6	Events Management Policy approved	Policy submitted to Council	Policy workshopped, but referred back	Approving of the Events Management Policy by June 2017	Policy not workshopped		Awaiting new date from the Speaker's office	Follow up to be made with Speaker's office	N/A

SECTION: FRESH PRODUCE MARKET

NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Market Policy in order to comply with legislation					
FPM1	Market Policy revised	Policy submitted to Council	Policy workshopped, but referred back	Revising the Market Policy by June 2017	Policy not workshopped		Awaiting new date from the Speaker's office	Follow up to be made with Speaker's office	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the market by-law in order to give effect to the approved market policy					
FPM2	Market By-Law revised	Policy submitted to Council	Policy workshopped, but referred back	Revising the Market By-Law by June 2017	Policy not workshopped		Awaiting new date from the Speaker's office	Follow up to be made with Speaker's office	N/A


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Outcome 9 Indicators from National Government

Chapter 3

SERVICE DELIVERY



DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

Outcome 9		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
Roads and Storm-Water Drainage (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To grade roads to maintain the existing road infrastructure					
ROA1	Km roads graded in the Matlosana area	34,86 km roads graded R2 997 586	91.83 km roads graded R3 437 507	Grading of 90 km roads in the Matlosana as per programme by June 2017 R 4 240 000	148.12 km graded R4 080 969		-	-	120 km graded R5 000 000

FINANCIAL, ADMINISTRATIVE AND CAPACITY

DIRECTORATE: FINANCIAL SERVICES





Revenue Management (KPA 4: Municipal Financial Viability & Management)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue for property rates to comply with legislation (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004))					
RM1	% of budgeted revenue for property rates collected	92%	99%	82 % of budgeted revenue for property rates collected by June 2017	96%		-	-	81%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To identify the grants received as revenue to better service delivery					
BUD11	Grants as a % of revenue received	92%	100%	Grants as 100% of revenue received per DORA by March 2017	100%		-	-	100%

Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY




DIRECTORATE: FINANCIAL SERVICES

Outcome 9		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
Revenue Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV1	R value debtors outstanding as a % of own revenue	130%	84%	Rand value debtors outstanding as 75% of own revenue by June 2017	77.85% R2 269 560 103		Credit Control actions allocated in Jouberton, Alabama, Manzilpark by MMC Finance. Additional levies being recovered	Credit control actions increased and water restrictions implemented in areas which were suspended	
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 2017	85.24%				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase Payments Received vs. Monthly Levies (Collection rate of billings)					
REV3	% increase in annual debtors collection rate	8% increase (from previous 80% to 88%)	7.29 % increase (from previous 80% to 87.29%)	1% Increase (80% to 81%) in annual service debtors collection rate by June 2017	0% (from previous 80% to 80.49%)		Credit Control actions allocated in Jouberton, Alabama, Manzilpark by MMC Finance. Additional levies being recovered	Credit control actions increased and water restrictions implemented in areas which were suspended	
Expenditure Management (KPA 4: Municipal Financial Viability and Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD1	Capital expenditure as a % of planned capital expenditure	68% R94 804 858	86% R106 152 742	Capital expenditure as a 90% of planned capital expenditure by June 2017 R144 615 900	95.52% R138 140 555		-	-	90% R213 747 000

Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY




DIRECTORATE: FINANCIAL SERVICES

Outcome 9		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
Expenditure Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD2	% of operational budget spent on repairs and maintenance	R45 121 254 66%	R 73 884 144 93%	3% of operational budget spent on repairs and maintenance by June 2017	R92 064 921 4%		-	-	R6 339 563 5%
Financial Management (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2015/16 Financial Statements on time to comply with legislation					
BUD10	2015/16 financial statements submitted to the Auditor-General	2013/14 Financial Statements submitted to AG on 29 August 2014	2014/15 Financial Statements submitted to AG on 31 August 2015	Submitting the 2015/16 financial statements to the Auditor-General by 31 August 2016	2015/16 Financial Statements submitted on 31 August 2016		-	-	2016/17 Financial Statements submitted
Financial Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit sec 71 reports to NT in order to comply with legislation					
BUD14	Number of reports submitted	12 electronic versions submitted to the NT database	12 electronic version submitted to the NT database	Submitting 12 electronic versions of the Section 71 report to the NT database by June 2017	12 Electronic versions submitted to the NT database		-	-	Twelve electronic versions submitted

Chapter 3

INTEGRATED DEVELOPMENT PLANNING

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Outcome 9		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
Performance Management (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Audited Annual Report to comply with section 121 of MFMA					
PMS3	Audited 2015/16 Annual Report tabled before Council	2013/14 Annual Report tabled. MM 32/2015 dated 22 January 2015 SP CC 1/2015 dated 30 January 2015	Final 2015/16 SDBIP tabled CC 1/2016 dated 29 January 2016	Tabling the Audited 2015/16 Annual Report before Council by 31 January 2017	Audited 2015/16 Annual Report tabled CC15/2017 dated 31/01/2017		-	-	2016/17 Audited Annual Report tabled
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final SDBIP to ensure compliance with legislation					
PMS6	Final 2017/18 SDBIP approved by Executive Mayor	Final 2015/16 SDBIP approved MM 97/2015 dated 12 June 2015. ADM 21/2015 dated 25 June 2015	Final 2016/17 SDBIP approved MM136/2016 dated 13 June 2016. ADM 31/2016 dated 20 June 2016	Approving final 2017/18 SDBIP by Executive Mayor (28 days after approval of budget) by June 2017	Final 2017/18 SDBIP approved. MM 125/2017 dated 16/06/2017. EM 07/2017 dated 27/06/2017		-	-	Final 2018/19 SDBIP approved
Integrated Development Planning (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To give effect to the 2017/22 IDP					
IDP1	2017/22 IDP process plan tabled in Council	IDP Process plan reviewed and tabled CC 103/2014 dated 28/08/2014	2015/16 IDP Process Plan reviewed and tabled. ADM 32/2015 dated 10 September 2015	Tabling the 2017/22 IDP process plan in Council by August 2016	2017/22 IDP Process Plan tabled on 30 August 2016 CC 55/2016		-	-	2018/19 Review IDP Process Plan tabled



Chapter 3

INTEGRATED DEVELOPMENT PLANNING

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL


Outcome 9	Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
	2014/15	2015/16	Annual Target	Actual Performance				

Integrated Development Planning (KPA 5: Good Governance and Public Participation)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To invite public comments after the tabling of the draft IDP to comply with legislation and to obtain inputs from the community					
IDP5	Public comments invited by Council after tabling of the draft 2017/22 IDP	Public comments invited Record and Lentswe of 10 April 2015	Public comments invited	Inviting public comments after the tabling of the draft 2017/22 IDP for inputs from the community by April 2017	Public comments invited in the Lentswe and Klerksdorp Record on 4/5/2017		-	-	Public comments invited
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final IDP to comply with legislation					
IDP6	Final 2017/22 IDP approved by Council	Final 2015/16 IDP approved SP CC 37/2015 dated 29 May 2015	Final 2016/17 IDP approved CC13/2016 dated 31 May 2016	Approving the final 2017/22 IDP by Council by May 2017	Final IDP approved on CC102/2017 dated 31/5/2017		-	-	Final 2018/19 Review IDP approved

ADMINISTRATION




Reduce Corruption (KPA 5: Good Governance and Public Participation)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Risk Register to determine the linkage between departmental objectives and risk activity					
RIS3	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	2014/15 Risk Register approved by Audit Committee	2015/16 Risk Register approved by Audit Committee	Revising the 2015/16 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2016/17 Risk Register by September 2016	2016/17 Risk Register presented to audit committee. AC to submit it to council for approval. Not yet approved by Council		Risk Register to be submitted to council for approval	Risk Register to be approved by council in the 2017/18 financial year	2017/18 Risk Register revised and 2018/19 Risk Register approved

Chapter 3

ADMINISTRATION

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Outcome 9	Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year	
	2014/15	2015/16	Annual Target	Actual Performance					
Reduce Corruption (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement the Fraud and Anti-Corruption Prevention Plan for the municipality to ensure good governance and to comply with legislation					
RIS4	Fraud and Anti-Corruption Plan implemented and assessed	2 fraud risk assessments conducted	2 fraud risk assessments conducted	Implementing the Fraud and Anti-Corruption Plan with council employees by monitoring implementation of action plans in two departments by June 2017	2 Fraud risk assessments conducted		-	-	Two Fraud Risk Monitoring conducted
NR	INDICATOR	MEASURABLE OBJECTIVE :		To revise the Risk Register to determine the linkage between departmental objectives and risk activity					
RIS6	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	New project	New project	Revising the 2016/17 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2017/18 Risk Register by June 2017	2016/17 Risk Register revised and 2017/18 Risk Register but not approved by council		The risk register will be submitted to council in the first quarter of 2017/18	The risk register will be approved by council in the first quarter of 2017/18	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Oversight Report to comply with s.129(1) of the MFMA					
MPAC6	2015/16 Oversight Report tabled before Council	2013/14 Oversight Report tabled CC15/2015 dated 31 March 2015	2014/15 Oversight Report tabled. CC 10/2016 dated 30 March 2016	Tabling the 2015/16 Oversight Report before Council by 31 March 2017	2015/16 Oversight Report tabled. CC58/2017 dated 31/03/2017		-	-	2016/17 Oversight Report tabled


Chapter 3

LABOUR RELATIONS

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Outcome 9	Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
	2014/15	2015/16	Annual Target	Actual Performance				


Governance (KPA 5: Good Governance and Public Participation)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To sign the Performance Agreements to comply with legislation					
PMS7	2017/18 Performance Agreements with section 54A and 56 employees signed	2015/16 Performance Agreements signed on 25 June 2015	2016/17 Performance Agreements signed	Signing 2017/18 performance agreements with section 54A & 56 employees by June 2017	2017/18 Performance Agreements signed on 27 June 2017		-	-	2018/19 Performance Agreements signed

GOVERNANCE / PUBLIC PARTICIPATION

DIRECTORATE: CORPORATE SERVICES

Public Participation (KPA 5: Good Governance and Public Participation)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance public participation as per legislation to identify community needs and concerns and to inform the community of programmes of Council					
EM1	Number of Imbizos conducted	16 Imbizos conducted R104 467	20 Imbizos conducted R8 711	Conducting 18 Imbizos in the Matlosana area by June 2017	4 Imbizos conducted R275 693		Budget that was allocated could not cater for eighteen Imbizos	Wards were clustered together to accommodate all residents	Twenty Imbizos conducted

Chapter 3

GOVERNANCE / PUBLIC PARTICIPATION

DIRECTORATE: CORPORATE SERVICES

Outcome 9		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
Public Participation (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Community Development Plan to identify community needs, challenges and to comply with legislation					
SPE1	Community Based Plan (CBP) implemented	Field Workers are allocated to all 35 wards of Matlosana. R1 580 490	Field Workers are allocated to all 35 wards of Matlosana. No progress report submitted R1 674 740	Implementing the Community Based Plan (CBP) in 39 wards and submitting report to Council by June 2017 R1 767 600	CBP appointment date 01/06/2017. R536 010		Appointment of field workers was done during June 2017. Implementation to be started after report to Council	Progress report to council during September 2017	Progress report to Council R2 000 000

LED / ENABLING ENVIRONMENT

DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Local Economic Development (KPA 3: Local Economic Development)

NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure alignment between LED strategies and PGDS to synergize the communication between the three spheres of government				
LED3	Number of cooperatives established and functional	4 Co-operatives established – Vaal Reefs (Agri farm); Khuma (Agri farm); Hartbeesfontein (Semogare Cooperative); R 16 185	4 Co-operatives established – Tigane Bakery, Oblate Egg Layers, New Little Porridge Co-operative, Women Ora Et Labora Primary Co-operative Ltd.	4 Co-operatives (one per township) in Matlosana area established / resuscitated and functional by June 2017 R100 000	4 Co-operatives established – Tirisano Agric Primary; Re ya ipetla Primary; Never Say Never Primary; and Lekholo Primary R99 355		-	- Four co-operatives established




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National Key Performance Indicators

Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT




DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
WAT1	Number and % of households with access to basic level of water	100% (163 612 Households with access to water / 0 Households without access to water)	100% (164 644 Households with access to water / 0 Households without access to water)	100% of Households with access to basic level of water by June 2017 - Urban Settlements	100% (168 950 Households with access to water / 0 Households without access to water)		-	-	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate water backlogs and provide basic municipal services					
WAT2	Number of water backlogs eliminated - Urban Settlements	0 Backlogs to eliminate	0 Backlogs to eliminate	Zero water backlogs eliminated according to maintenance budget by June 2017 - Urban Settlements (Squatters on un-promulgated land)	0 Backlogs to eliminate		-	-	0 Backlogs to eliminate
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
WAT3	The percentage of households with access to basic level of water - Rural Settlements	77% (2 786 Households with access to water / 827 households without access to water)	77% (2 786 Households with access to water / 827 households without access to water)	77% of households with access to basic level of water by June 2017 - Rural Settlements	100% (1 739 households with access to water / 0 Households without access to water)		-	-	

Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DIRECTORATE: CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate water backlogs and provide basic municipal services					
WAT4	Number of water backlogs eliminated - Rural Settlements	312 Backlogs eliminated (communal taps)	0 Backlogs eliminated	214 Water backlogs eliminated according to maintenance budget by June 2017 - Rural Settlements (No funds available)	4 306 backlogs eliminated Alabama 4 & 5 and Kanana 15 connected (previously rural)		-	-	0 Backlogs to eliminate
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
SAN1	The percentage of households with access to basic level of sanitation - Urban Settlements	99% (162 057 households with access to sanitation / 1 555 households without access to sanitation) (buckets)	99% (163 399 households with access to sanitation / 1 555 Households without access to sanitation) (buckets)	99% of households with access to basic level of sanitation by June 2017 - Urban Settlements	99% (165 908 households with access to sanitation / 1 100 households without access to sanitation)		-	-	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate sanitation backlogs and provide basic municipal services					
SAN2	Number of sanitation backlogs eliminated - Urban Settlements	293 Backlogs eliminated	196 Backlogs eliminated	214 Sanitation backlogs eliminated according to maintenance budget by June 2017 (bucket eradication). Completion of incomplete toilets - Urban Settlements	1 555 Backlogs eliminated All buckets eradicated		-	-	0 Backlogs to eliminate



Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT


DIRECTORATE:CIVIL SERVICES AND HUMAN SETTLEMENTS

National Key Performance Indicators	Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
	2014/15	2015/16	Annual Target	Actual Performance				

SECTION: SANITATION SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
SAN3	The percentage of households with access to basic level of sanitation - Rural Settlements	80% (2 575 Households with access to sanitation / 728 Households without access to sanitation) (Ventilated pit toilets)	80% (2 575 Households with access to sanitation / 728 Households without access to sanitation) (Ventilated pit toilets)	65% Households with access to basic level of sanitation by June 2017 - Rural Settlements	70% (2 575 Households with access to sanitation / 1 106 Households without access to sanitation)		-	-	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate sanitation backlogs and provide basic municipal services					
SAN4	Number of sanitation backlogs eliminated - Rural Settlements	0 backlogs eliminated (cannot install services on un-proclaimed land)	0 backlogs eliminated (Cannot install services on un-proclaimed land)	Zero sanitation backlogs eliminated according to maintenance budget by June 2017 - Rural Settlements	3 206 backlogs eliminated Alabama 4 & 5 connected (previously rural)		-	-	0 Backlogs to eliminate




DIRECTORATE:ELECTRICAL AND MECHANICAL ENGINEERING

NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
ELE5	The percentage of households with access to basic level of electricity - Urban Settlement	99.8% (164 436 Households with access to electricity / 285 Households without access to electricity)	100% (164 694 Households with access to electricity / 630 Households without access to electricity)	99% of Households with access to basic level of electricity by June 2017 - Urban Settlement	98% (164 844 Households with access to electricity / 3 840 Households without access to electricity)		Electrical connections can only commence on allocation of housing according to Housing waiting list	Allocation of houses to be finalised	

Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT




DIRECTORATE:ELECTRICAL AND MECHANICAL ENGINEERING

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate electricity backlogs and provide basic municipal services					
ELE6	Number of electricity backlogs eliminated - Urban Settlements	70 backlogs eliminated	152 backlogs eliminated	951 Electricity backlogs to be eliminated according to capital budget by June 2017 - Urban Settlement	0 backlogs eliminated		Material for electrification of 951 on site	To be completed September 2017	951 backlogs to eliminate
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
ELE7	The percentage of households with access to basic level of electricity - Rural Settlements	54.38% (899 households with access to electricity / 539 households without access to electricity)	54.38% (899 Households with access to electricity / 2 034 households without access to electricity)	45% of households with access to basic level of electricity by June 2017 - Rural Settlement	45% (899 households with access to electricity / 1 106 Households without access to electricity) - No control over Eskom area		-	-	50%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate electricity backlogs and provide basic municipal services					
ELE8	Number of electricity backlogs eliminated - Rural Settlements	10 backlogs to eliminate	0 Backlogs eliminated Submitted a report to Eskom	0 electricity backlogs to be eliminated according to Eskom plan by June 2017 - Rural Settlement (Jurisdiction of Eskom)	0 backlogs eliminated. Eskom's assistance requested		-	-	0 backlogs to eliminate

Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
SECTION: REFUSE REMOVAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
CLE1	The percentage of households with access to basic level of refuse removal - Urban Settlements	100% (163 612 households with access to refuse removal / 0 households without access to refuse removal)	100% (164 644 households with access to refuse removal / 0 households without access to refuse removal)	100% of households with access to basic level of refuse removal by June 2017 - Urban Settlements	97% (165 277 households with access to refuse removal / 4 306 households without access to refuse removal)		Alabama ext. 4 & 5 and Kanana ext. 15 recently zoned / promulgated as residential	Council in process of purchasing new bins for the recently zoned / promulgated development – Alabama ext. 4 & 5 and Kanana ext. 15	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate refuse removal backlogs and provide basic municipal services					
CLE2	Number of refuse removal backlogs eliminated - Urban Settlements	0 backlogs to eliminate	0 backlogs to eliminate	Zero refuse removal backlogs to be eliminated according to maintenance budget by June 2017 - Urban area	0 backlogs to eliminate		-	-	0 backlogs to eliminate
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
CLE3	The percentage of households with access to basic level of refuse removal - Rural Settlements	0% (0 households with access to refuse removal / 3 613 households without access to refuse removal) (cannot render service on un-proclaimed land)	0% (0 households with access to refuse removal / 3 613 Households without access to refuse removal) (Cannot render service on un-proclaimed land)	0% of households with access to basic level of refuse removal by June 2017 - Rural Settlements (Unproclaim land)	0% (0 households with access to refuse removal / 1 106 households without access to refuse removal) (Cannot render service on un-proclaimed land)		-	-	


Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES



National Key Performance Indicators	Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
	2014/15	2015/16	Annual Target	Actual Performance				

SECTION: REFUSE REMOVAL SERVICES

NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate refuse removal backlogs and provide basic municipal services					
CLE4	Number of refuse removal backlogs eliminated - Rural Settlements	0 backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	0 backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	Zero refuse removal backlogs to be eliminated according to maintenance budget by June 2017 - Rural Settlements (Unproclaim land)	0 backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)		-	-	

DIRECTORATE : FINANCIAL SERVICES




SECTION: REVENUE MANAGEMENT

NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Services allocations to comply with legislation					
REV4	R value spend on free basic services	R143 527 659	R38 644 203 All applicants assisted	Spending on free basic services by June 2017 - (Account holders) R123 302 736	R59 748 502		All previous year's indigents' subsidies expired on 30 June 2016, therefore less expenditure. Spending to increase next quarter	New applications being received and processed, letters sent to previous years' indigents who did not reapply.	R270 291 390
REV5	Number of approved households with free basic services (indigents)	38 393 Approved households	16 840 All applicants assisted	15 000 Approved households with free basic services (indigents) by June 2017	21 284 All applicants assisted		-	-	35 000

Chapter 3

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT



DIRECTORATE : FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
SECTION: REVENUE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Services allocations to comply with legislation					
REV6	% households registered earning less than R3 000 per month	45%	100% All applicants assisted	17 % of households registered earning less than R3 000 per month by June 2017 - (vs. total active accounts)	20% All applicants assisted		-	-	20%
REV8	Rural settlements with free basic alternative energy (indigents) approved	3 328 approved households	3 560 approved households	4 000 approved rural settlements with free basic alternative energy (indigents) by June 2017	4 700 Approved households		-	-	4 000
REV7	R value spend on free basic alternative services	R13 273 327	R4 861 366	Spending on free basic alternative services by June 2017 R21 818 500	R6 639 731		All previous year's subsidies expired on 30 June 2016, new applications being received and processed. Numerous areas have received electricity from Eskom and therefore expenditure lower. New orders for paraffin being acquired	New applications being received and processed, special FBAE visits done in rural areas	R25 373 815

Chapter 3

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT





DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED1	Number of permanent and jobs exceeding three-month jobs created - Urban Area	1 541 Jobs created	868 Jobs created	Creating 800 permanent and jobs exceeding three months through the Municipality's local economic development initiatives including capital projects by June 2017 - Urban Area	948 Jobs created		-	-	900 jobs created
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
LED2	Number of permanent and jobs exceeding three months jobs created - Rural Area	100 jobs created	35 jobs created	Creating 30 permanent and jobs exceeding three months through the Municipality's local economic development initiatives including capital projects by June 2017 - Rural Area	30 Jobs created		-	-	30 Jobs created

Chapter 3

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT



DIRECTORATE:CORPORATE SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spent a percentage of municipality's budget on implementing its workplace skill plan					
SKIL1	Rand value of Skills Development (Training) expenditure for 2016/17	R1378181	R294 069	Rand value spent on Skills Development (Training) expenditure for 2016/17 by June 2017 R 1 700 000	R1 016 953		Delay in obtaining resolution for CPMD planned for 4th quarter.	Provision made for 17/18 financial year budget for CPMD.	
SKIL2	Levy Skills Development for 2016/17	R3 734 516	R4 071 448	Rand value paid to SARS on Levy Skills Development for 2016/17 by June 2017 R4 236 546	R 4 349 515		-	-	
SKIL3	SETA Training expenditure for 2016/17	R1 133 181	R297 512	Rand value spent on SETA Training expenditure for 2016/17 by June 2017 R4 000 000	R1 799 124		Late payment from LGSETA.	LGSETA to speed up the payments of Mandatory Grants to Municipalities	
SKIL4	SETA Training Income/Rec for 2016/17	R514 005	R727 821	Income collected for SETA Training Income/Rec for 2016/17 by June 2017 R4 000 000	R0		Training Income is determined by LGSETA	LGSETA to speed up the payments of Mandatory Grants to Municipalities	

Chapter 3

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT



DIRECTORATE: FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed (National Key Performance Indicators)					
BUD3	MIG expenditure a % of annual allocation		R78 351 695 92.73%	MIG expenditure as 90% of annual allocation by June 2017 (excluding roll-overs)	R83 195 915 99.8%		-	-	R89 041 000 90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP					
BUD12	Ratio for debt coverage for 2014/15	5.291:1	21.8%	Annual debt coverage ratio for 2015/16 by September 2016 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	24.91%		-	-	

Chapter 3

KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT



DIRECTORATE: FINANCIAL SERVICES

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :	Financial Viability expressed (National Key Performance Indicators)						
BUD4	Ratio for cost coverage for 2014/15	0.35:1	0.42	Annual cost coverage ratio for 2015/16 by September 2016 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	0.47				
BUD13	% of Outstanding Service Debtors to Revenue ratio for 2014/15	97%	23%	Annual outstanding service debtors to Revenue ratio for 2015/16 by September 2016 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	5%		No payment of services in Eskom supply arrears	Debt collectors appointed	

Chapter 3

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

National Key Performance Indicators		Previous Financial Years Actual Performance		2016/17 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2017/18 Financial Year
		2014/15	2015/16	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE : The number of people from employment equity target groups employed in the first three highest levels of							
PMS8	Number of male employees on the first three highest levels of management	28	26	Employing 29 male employees on the first three highest levels of management by June 2017 (excluding section 54A and 56 employees)	25 Male employees (Black - 21 White - 3 Coloured - 1 Indian - 0)		In process of filling senior positions	Positions to be filled by December 2017	
PMS9	Number of female employees on the first three highest levels of management	12	9	Appointing 14 female employees on the first three highest levels of management by June 2016	9 Female employees (Black - 7 White - 2 Coloured - 0 Indian - 0)		In process of filling senior positions	Positions to be filled by December 2017	

Chapter 3

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 2017.

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 21 October 2014. The commencement date of the tenure of the AC was determined as 01 November 2014.

The Committee initially comprised five independent members who are not in the employ of the municipality. One member was removed and the AC was constituted of a membership of four for the year under review. In addition, no members are political office-bearers.

As per Council resolution the 4 members reflected in the table were appointed The Chairperson and the members attended the following meetings:

DATE	TYPE OF MEETING	AUDIT COMMITTEE MEMBERS			
		Mr MI Motala Chairperson	Mr N Maape	Mr PC Malemone	Ms L Mosoetsa
19 August 2016	Special	Present	Present	Present	Present
28 August 2016	Special	Present	Present	Present	Present
14 September 2017	Ordinary	Present	Present	Present	Present
24 November 2016	Ordinary	Present	Present	Present	Apology
25 November 2016	Special	Present	Present	Present	Apology
09 March 2017	Ordinary	Present	Present	Present	Apology
25 May 2017	Ordinary	Apology	Present	Present	Present
29 June 2017	Special	Apology	Present	Present	Present
Total number of meetings attended		6	8	8	5

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 the King IV Report on Corporate Governance. The Committee is also tasked with the review of the Annual Financial Statements and Annual Performance Report.

Chapter 3

4. Internal Audit

The Internal Audit Activity (“the IAA”) falls under the jurisdiction 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 2016/17 financial year the Committee noted that the implementation on corrective action on internal control weaknesses identified was partially effective. The Committee notes that there has been an improvement in this regard in the year under review.

An improvement was noted with respect to management’s comments on the findings of the IAA. Implementation of the recommendations of the IAA and the Committee remains a challenge. 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 2015/16 financial year.

5. Performance Management

In its report for the 2015/16 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 this 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 non 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 as they were 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 Committee, however, notes that progress has been registered in this regard with the appointment of the Municipal Manager. The Committee also notes that the recruitment process for the filling of senior management posts has commenced.

6. Review of the Annual Performance Report (APR) and Annual Financial Statements (AFS) for the year ended 30 June 2017

The Audit Committee managed to review the AFS and the APR. The AC is pleased to record that for the first time in its history it had the opportunity to review the AFS 14 days prior to the due date for submission to the AG.

Chapter 3

The Committee considered the AFS and the APR for the year ended 30 June 2017 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 Risk Management Committee was operational and chaired by a member of the Audit Committee. Regular reports were tabled at the quarterly meetings of the AC. 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 still facing the Municipality represents a huge exposure in terms of loss of life and limb relating 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 over the failure by Council to address the huge cumulative irregular expenditure. The Committee notes that irregular expenditure has increased during the reporting period albeit to a much lower extent than in previous years. 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.

9. Conclusion

The Committee is pleased to note a marked improvement in the audit outcomes. Save for the finding on irregular expenditure resulting from the misstatement on irregular expenditure occasioned by the composition of the Bid Adjudication Committee the Council would have received an unqualified audit opinion.

We would like to express a word of gratitude to the Executive Mayor, Speaker, MMCs and MPAC. We also wish to thank the 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 failed 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.

mimotala

MOHAMAD IQBAL MOTALA
CHAIRPERSON: AUDIT COMMITTEE
12 December 2017

Chapter 4



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

INTRODUCTION

In terms of the newly-approved top structure (CC64/2017 dated 21 April 2017) the municipality consists of the Office of the Municipal Manager and seven directorates, namely Corporate Support, Budget and Treasury, Community Development, Public Safety, Local Economic Development, Technical and Infrastructure and Planning and Human Settlements.

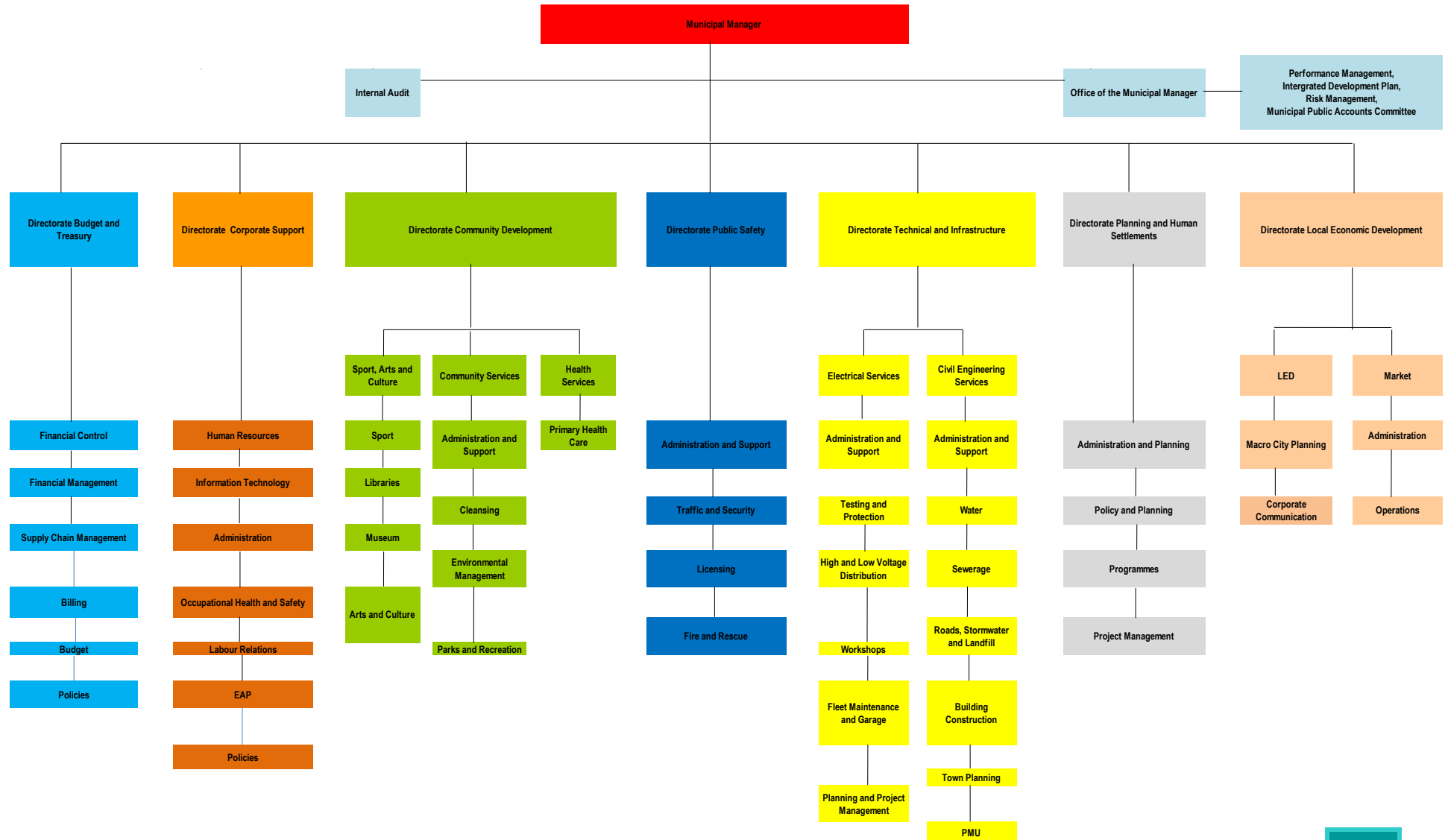
The Directorate Strategic Planning, Monitoring and Control was made redundant, but the functions now reside in the Office of the Municipal Manager.

The City of Matlosana has an approved complement of 2 524 posts of which 2 024 were filled.

The municipality's top structure is as follows:

Chapter 4

CITY OF MATLOSANA OVERHEAD STRUCTURE



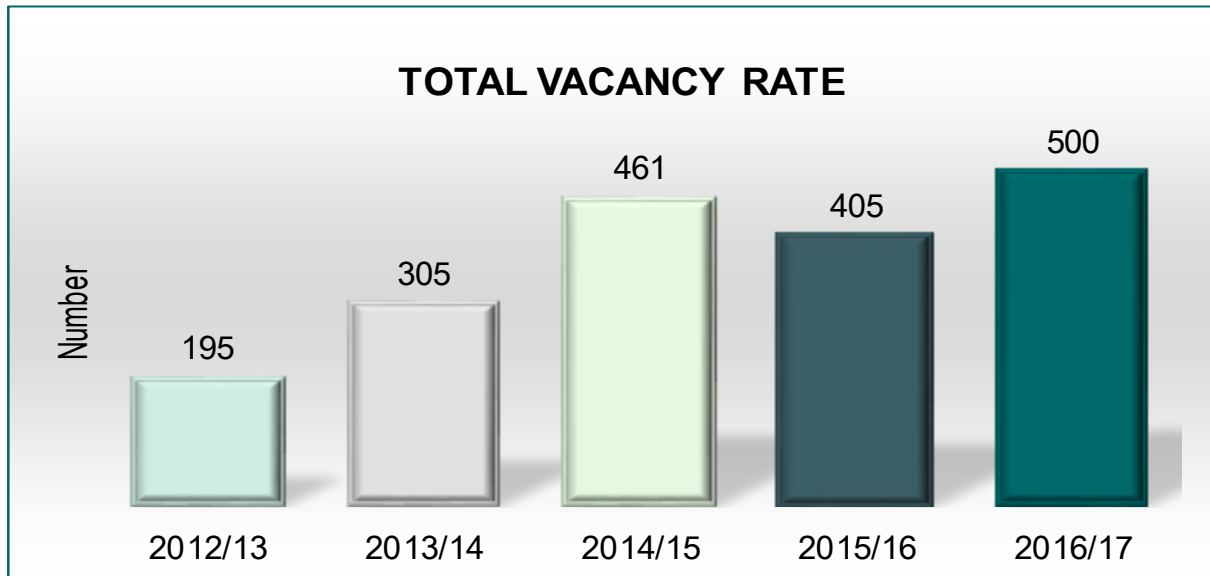
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
DESCRIPTION	2015/16	2016/17			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No	No	No	No	%
Water Services	108	125	106	19	15%
Sanitation Services	158	170	155	15	9%
Electrical and Mechanical Engineering	129	152	129	23	15%
Solid Waste Management Services	348	412	333	79	19%
Human Settlements	18	23	17	6	26%
Roads and Storm-Water Drainage	165	183	163	20	11%
Licensing Services	54	125	52	73	58%
Administration Town-Planning, Building Survey, Building Construction and PMU	63	68	59	9	13%
Local Economic Development	15	20	15	5	25%
Fresh Produce Market	37	44	37	7	16%
Libraries and Museum	74	86	72	14	16%
Cemeteries	52	63	54	9	14%
Parks, Open Spaces, Faan Meintjes, Orkney Vaal and Aerodrome	196	219	184	35	16%
Sport and Recreation	96	133	93	40	30%
Health Services	13	16	13	3	19%
Traffic, Security, Fire and Disaster Management	231	273	221	52	19%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	7	10	9	1	10%
Corporate Policy Offices and Other	313	402	312	90	22%
TOTAL	2 077	2 524	2 024	500	20%

TURN-OVER RATE: 2016/17				
Year	Total appointments as at the beginning of the financial year	New appointments	Terminations during the financial year	Turnover rate
2013/14	2 206	83	124	5.62%
2014/15	2 132	18	135	6.33%
2015/16	2 019	242	147	7.28%
2016/17	2 072	65	145	7,00%

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VACANCY RATE: 2016/17			
Designations	*Total approved posts	*Vacancies (total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
Municipal Manager	1	0	0%
CFO	1	0	0%
Other s56 Managers (excluding Finance posts)	6	6	100%
Other s56 Managers (Finance posts)	0	0	0%
Safety and Security	175	26	15%
Fire fighters	39	4	10%
Senior management: Levels 1 - 3 (excluding Finance posts)	36	10	28%
Senior management: Levels 1 - 3 (Finance posts)	8	3	38%
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	114	14	12%
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	6	27%
TOTAL	402	69	17,16

COMMENTS ON VACANCIES AND TURNOVER

The table above shows the turn-over-rate in the Municipality for the current and previous years.

The total vacancy rate for the financial year under review totalled 402 vacancies or a 17% vacancy rate which is 1% higher than the 2015/16 vacancy rate of 16%.

The turnover rate totals 7.00% and is .28% lower than during the previous financial year.

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For the period 1 July 2016 to 30 June 2017 a total of 65 employees were recruited against a total of 242 for the previous period from 1 July 2015 to 30 June 2016.

For the period 1 July 2016 to 30 June 2017 the services of 145 employees were terminated which is consistent with terminations in the previous reporting period.

Terminations were as a result of retirements (33.79%), resignations (18.62%), dismissals (0.69%), ill health (1.38%), contract expired (35.86%) and death (9.66%).

A high turnover rate which refers to the number or percentage of employees who leave the Municipality and are replaced by new employees 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.

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 workforce 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 to 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 striving 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 psycho-social problems which may negatively affect the work performance of employees.

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Services rendered under it are:

- ▶ Work-related issues such as absenteeism;
- ▶ Stress management;
- ▶ Alcohol and substance abuse;
- ▶ Ill-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 in order 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 a 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; and
- ▶ ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code.

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 and Safety Committee which meets quarterly to address health and safety issues facing the municipality.

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4.2 POLICIES

HR POLICIES AND PLANS				
NAME OF POLICY		COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100%	100%	04 September 2012
3	Code of Conduct for employees	100%	100%	25 September 2013
4	Delegations, Authorisation and Responsibility	100%	100%	05 February 2009
5	Disciplinary Code and Procedures	100%	100%	04 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%	04 September 2012
12	Human Resource and Development			
13	Information Technology	100%	100%	29 January 2016
14	Job Evaluation	100%	N/A	05 July 2016
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%	04 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%	05 July 2016
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	04 September 2012
28	Skills Development	100%	100%	25 September 2013
29	Smoking	100%	100%	04 September 2012
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	04 September 2012
33	Other: Telephone	100%	100%	04 September 2012
34	Retirement Planning	100%	100%	04 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

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40	Server Security	100%	100%	29 November 2012
41	Workstation Security	100%	100%	29 November 2012
42	E-mail 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 and 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%	04 September 2012
55	Investors	100%	100%	29 November 2012
56	Public Private Partnerships	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
64	Vehicle Replacement Policy	100%	100%	30 May 2017

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 among 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.

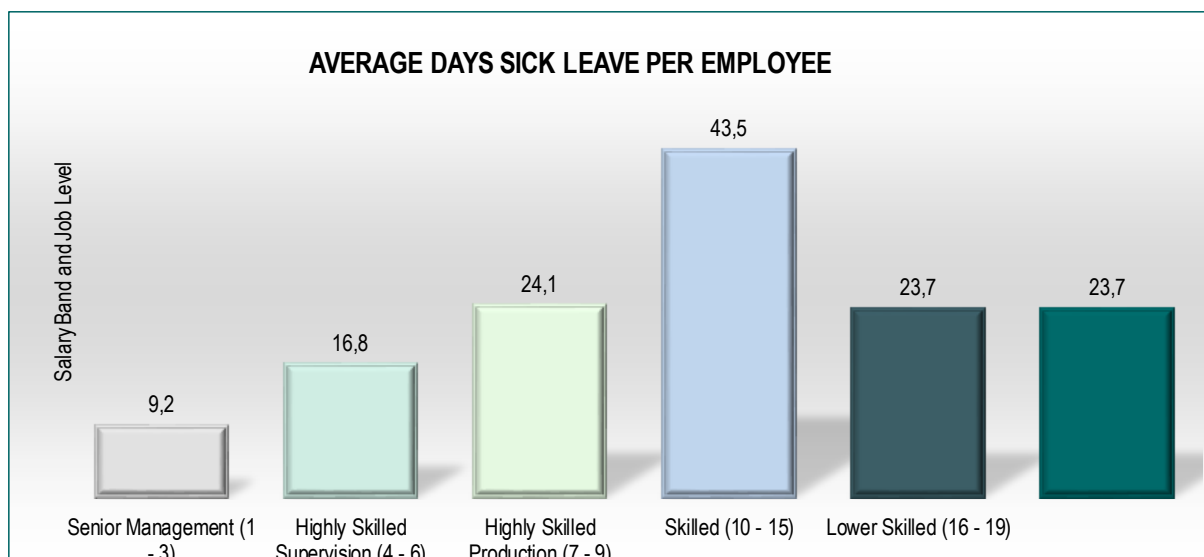
4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF INJURIES ON DUTY DURING 2016/17				
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	169	59	35%	34
Temporary total disablement	0	0	0%	0
Permanent disablement	0	0	0%	0
Fatal	0	0	0%	0
TOTAL	169	59	35%	34

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NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2016/17								
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	Average Days Sick Leave per Employee	Estimated Cost
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54A/56 Managers		1	0	0	1	2	1	4
1	Senior management	3	33	1	1	1	3	4
2		28	25	7	6	8	4	36
3		61	62	38	12	23	3	70
4	Highly-skilled supervision	77	19	15	9	13	6	83
5		147	17	25	26	46	3	147
6		458	10	46	41	60	8	415
7	Highly-skilled production	323	8	25	27	46	7	265
8		425	9	39	38	55	8	309
9		973	14	139	91	104	9	624
10	Skilled	774	11	88	23	95	8	408
11		1 220	16	193	111	119	10	555
12		609	10	61	62	123	5	249
13		436	14	60	33	82	5	159
14		565	8	47	51	69	8	184
15		671	15	103	54	101	7	199
16	Lower skilled	162	15	25	26	70	2	44
17		712	10	71	55	120	6	184
18		197	19	38	24	23	9	51
19		5 927	11	668	563	864	7	1 529
TOTAL		13769	12	1689	1254	2024	7	5519

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COMMENTS ON INJURY AND SICK LEAVE

The Human Resource unit deals with sick leave efficiently and the capturing of sick leave days has improved a lot. Though the general sick leave pattern is seasonal especially in winter and December, when it reaches a peak. Monitoring of sick leave is done through EAP and user departments, and where necessary the individual is subjected to a second opinion.

Currently the municipality does not have a medical practitioner but makes use of ones on the Central Supplier Database within its jurisdiction. In the event that any substance abuse is identified, the employee is assisted and if all fails the consequence management process is followed.

It has been discovered that the campaign is bearing fruits and that employees are now reporting injuries even minor ones that can be attended to at the OHC. The number of injuries still minimal. No major new injuries have been reported. The COIDA sick leave days are calculated separately from the normal sick leave, thus making it difficult for the unit to capture as PAYDAY does not cater for such leave which the OHC does not have access to.

NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS 2016/17				
Position	Nature of alleged misconduct	Date of Suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date Finalised
Traffic Officer	Bribery	01/04/2016	Finalised	Dismissed
Chief Executive Auditor	Maliciously revealing privileged and confidential information to the public	October 2015 to 2017	Matter postponed: sine die	Uplifted
Accountant Indigent	Financial misconduct	July 2015 - 2017	Matter postponed: sine die	Uplifted
Assistant Director: Water	Failure to comply with lawful instruction	17/04/2015	Finalised	Dismissed

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DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT			
Position	Nature of alleged incidences of misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date finalised
Accountant Indigent	Financial misconduct	Matter re-enrolled and postponed for hearing	Ongoing
Assistant Director: Debt Management	Misrepresentation / Gross negligence	Matter enrolled and postponed for hearing	Ongoing
Acquisition Management Supply Chain	Gross negligence / Dishonesty	Matter enrolled postponed for hearing	Ongoing
Administration Officer: Supply Chain	Gross negligence / Dishonesty	Matter enrolled postponed for hearing	Ongoing
Finance Debt Collection	Misrepresentation	Matter enrolled postponed for hearing	Ongoing
Assistant Director Supply Chain	Gross negligence/ Gross irregularity Dishonesty / Fraudulent and corrupt conduct wasteful and unauthorised expenditure	Matter enrolled postponed for hearing	Ongoing
Assistant Director: Expenditure	Gross negligence	Matter enrolled postponed for hearing	Ongoing
Accountant: Debt Collection	Gross negligence / Gross irregularity Dishonesty / Fraudulent and corrupt conduct wasteful and unauthorised expenditure	Matter enrolled postponed for hearing	Ongoing
Demand Management Officer	Gross irregularity/ Dishonesty / Corrupt and fraudulent conduct.	Matter enrolled postponed for hearing	Ongoing

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The suspension of the employee charged for fraud/bribery was lifted and disciplinary process ensued and the employee was found guilty and dismissed.

The charges relating to financial misconduct emanate from the forensic investigations conducted by Open Waters Company. All matters had been set down for trial and we anticipate that at most, all cases will be finalised before March 2019.

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 managers 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.

The Skills Development Act and Municipal Systems Act require employers to supply employees with the necessary training in order to develop their human resource capacity.

Training programmes and interventions are therefore undertaken on a regular and in an orderly way as planned in the Workplace Skills Plan.

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 2016/17 financial year these documents were submitted to LGSETA and received the necessary mandatory grants to further skills development initiatives within the municipality.

For the 2016/17 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.

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4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX – 2016/17										
Management level	Gender	Employees in post as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2017							
			Learnership		Skills programmes and other short courses		Other forms of training (Internship)		Total	
		No	Actual: End of 2015/16	Actual: End of 2016/17	Actual: End of 2015/16	Actual: End of 2016/17	Actual: End of 2015/16	Actual: End of 2016/17	Actual: End of 2015/16	Actual: End of 2016/17
MM and s 56	Female	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	2	0	0	0	2
Councillors, senior officials and managers	Female	36	0	0	0	20	10	0	10	20
	Male	76	0	0	20	34	15	0	35	34
Technicians and associate professionals	Female	52	10	0	10	5	15	0	35	5
	Male	114	60	29	60	70	15	0	135	99
Professionals	Female	20	40	21	60	38	10	0	110	59
	Male	23	40	28	40	29	20	0	100	57
Sub total	Female	108	50	21	70	63	35	0	155	84
	Male	215	100	57	120	135	50	0	270	192
TOTAL		323	150	78	190	198	85	0	425	276

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FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2016/17				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
<i>Accounting Officer</i>	1	1	1	1
<i>Chief Financial Officer</i>	1	1	1	1
<i>Senior managers</i>	0	0	0	0
<i>Any other financial officials</i>	138	0	0	46
Supply Chain Management Officials				
<i>Heads of Supply Chain Management units</i>	0	0	0	0
<i>Supply Chain Management senior managers</i>	1	0	0	0
TOTAL	141	2	2	48

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SKILLS DEVELOPMENT EXPENDITURE – 2016/17

R'000

Management level	Gender	Employees as at 1 July 2016	Original Budget and Actual Expenditure on skills development 2016/17							
			Learnership		Skills programmes and other short courses		Other forms of training		Total	
		No	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and s56	Female	0	150	0	150	0	0	0	300	0
	Male	2	350	0	350	0	0	0	700	0
Legislators, senior officials and managers	Female	9	250	0	250	50	0	0	500	50
	Male	23	250	0	250	50	0	0	500	50
Professionals	Female	20	250	150	250	20	0	0	500	170
	Male	29	250	50	250	20	0	0	500	70
Technicians and associate professionals	Female	56	100	0	100	10	0	0	200	10
	Male	221	700	300	700	300	0	0	1 400	600
Clerks	Female	306	500	450	500	200	0	0	1 000	650
	Male	96	300	200	300	100	0	0	600	300
Service and sales workers	Female	49	200	0	200	50	0	0	400	50
	Male	97	600	0	600	400	0	0	1 200	400
Plant and machine operators and assemblers	Female	4	0	0	0	0	0	0	0	0
	Male	122	600	20	600	350	0	0	1 200	370
Elementary occupations	Female	188	500	300	500	200	0	0	1 000	500
	Male	802	300	200	300	150	0	0	600	350
Subtotal	Female	632	1 950	900	1 950	530	0	0	3 900	1 430
	Male	1 392	3 350	770	3 350	1 370	0	0	6 700	2 140
TOTAL		2 024	5 300	1 670	5 300	1 900	0	0	10 600	3 570

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COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

In terms of the Skills Development Act (1998) and Municipal System Act (2000) employers are obliged to provide employees with necessary skills / training to develop their human resource capacity. It is stated in Section 55(1) that the Municipal Manager as the head of administration must ensure that employees are trained to be able to be effective on their day to day activities.

Capacity of 50% of finance officials were trained on municipal finance related programmes during the financial year 2016/2017. 50% of finance officials meet the competency requirements stipulated by the legislation. i.e. (National Treasury Regulations). The 50 % finance officials who do not meet the competency requirements will be trained by implementing the Municipal Training Plan derived from the skills audit report of 2016/2017 Financial Year.

Human Resources through Training and Development Unit has developed 40% of employees through skills programmes utilizing the Training and SETA votes for expenditures in 2016/2017 Financial Year. The change of municipal financial system has caused a delay in utilizing the two votes for payment of training service providers. We anticipate utilizing a 100% training budget by the end of the current Financial Year.

Through the assistance of Local Government Sector Education and Training (LGSETA) 40% of municipal employees have been trained through discretionary grants programmes, i.e. learnership. These programmes are for both employed and unemployed learners and the municipality has no financial burden.

Human Resources has appointed 51 Interns through the Mayoral Internship Programme. The Interns are paid stipends by the Services SETA and the municipality incurs no financial burden in the programme, as the Municipality is just the host to Interns to create an environment for experiential learning.

COMPONENT D: MANAGING 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.

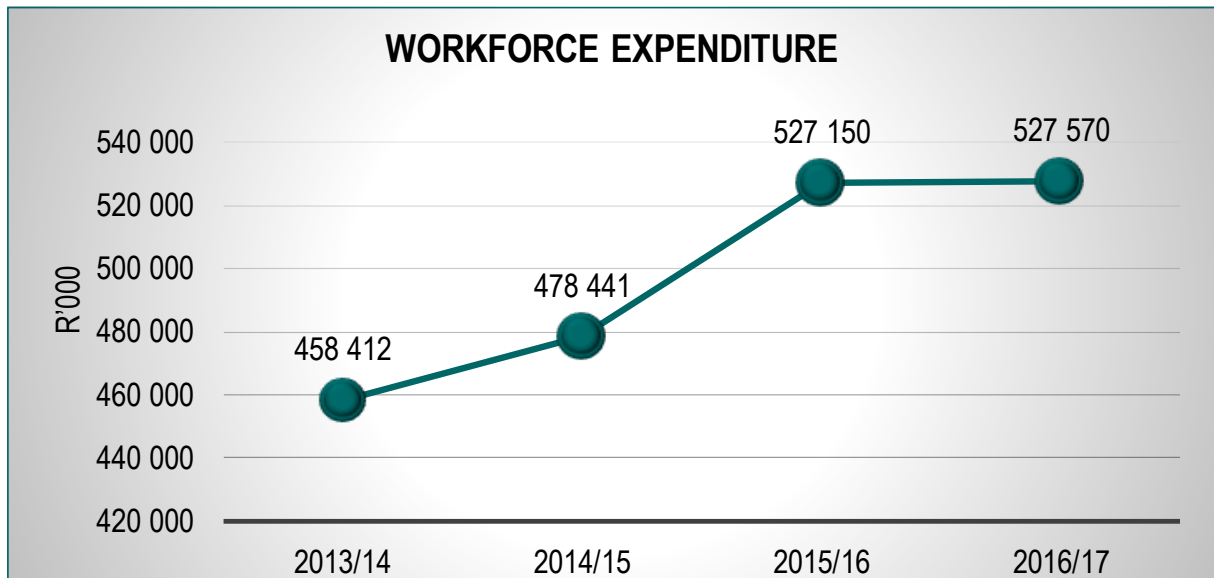
There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability 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 emphasis on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific circumstances and can indicate inefficiency or staff shortages (including high absenteeism).

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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

The management of employee expenditure is an important function in every organisation, and the City of Matlosana is no exception. Effective management of employee expenditure is achieved by applying sound management principles and the continuous revision and application of policies and procedures.

The purpose of the TASK Job Evaluation System is to achieve uniform norms and standards in the description of similar jobs and their grading and to underpin job comparison. The City of Matlosana is still in the process of evaluating the current approved positions and therefore no comment can be given on employees whose salaries were increased due to their positions being upgraded through an official TASK Job Evaluation process.

Appointments may only be made in posts on the organogram approved by Council. This includes the appointment of permanent as well as temporary employees. No appointments have been made in posts not approved by council.

Personnel expenditure has decreased from 20.45% in the 2015/2016 financial year to 00.00% in the 2016/17 financial year. This can be attributed to the non-filling of vacant posts and financial constraints of council.

This percentage is well within the National Treasury guideline of 30%.

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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 were made by Councillors and senior managers concerning their financial interests (see **Appendix J**).

COMPONENT E: OVERSIGHT REPORTING

4.7 STAFF ESTABLISHMENT

STAFF ESTABLISHMENT – 2016/17	
Does the City of Matlosana have an approved staff establishment?	Yes, it was approved in terms of CC 66/2012 dated 31 July 2012. A new top structure was approved on 21 April 2017 (CC64/2017)
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 Chief Financial Officer Director Corporate Support Director Community Development Director Public Safety Director Local Economic Development Director Technical and Infrastructure Director Planning and Human Settlements
Was the staff establishment consulted with the MEC before approval by Council?	
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

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4.8 APPOINTMENT OF SENIOR MANAGERS

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER – 2016/17							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the senior manager subjected to competence assessment?	Does the senior manager hold political office?	Does the senior manager have a misconduct / criminal record?
		From	To				
Municipal Manager	R1 276 174	01/05/2017	30/04/2022	B Juris	Yes	No	No
Chief Financial Officer	R1 035 906	01/03/2017	28/02/2022	BCompt Hons (Accounting Science and Bridging)			
Director Corporate Support	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Community Development	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Public Safety	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Local Economic Development	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Technical and Infrastructure	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Planning and Human Settlements	N/A	N/A	N/A	Vacant	N/A	N/A	N/A

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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 time-frame?
Municipal Manager	Yes, 26 April 2017	Yes
Chief Financial Officer	Yes, 28 February 2017	Yes,
Director Corporate Support	Vacant	Vacant
Director Community Development	Vacant	Vacant
Director Public Safety	Vacant	Vacant
Director Local Economic Development	Vacant	Vacant
Director Technical and Infrastructure	Vacant	Vacant
Director Planning and Human Settlements	Vacant	Vacant

Chapter 4

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 time-frame?	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	Yes	Yes	Yes	Yes	No
Chief Financial Officer	Yes	Yes	Yes	Yes	No
Director Corporate Support	Vacant	Vacant	Vacant	Vacant	Vacant
Director Community Development	Vacant	Vacant	Vacant	Vacant	Vacant
Director Public Safety	Vacant	Vacant	Vacant	Vacant	Vacant
Director Local Economic Development	Vacant	Vacant	Vacant	Vacant	Vacant
Director Technical and Infrastructure	Vacant	Vacant	Vacant	Vacant	Vacant
Director Planning and Human Settlements	Vacant	Vacant	Vacant	Vacant	Vacant

Chapter 4

4.11 MINIMUM COMPETENCY REQUIREMENTS

MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

DESCRIPTION	REQUIREMENTS	MUNICIPAL MANAGER TSR NKHUMISE	CHIEF FINANCIAL OFFICER MKG RAMORWESI
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	B Juris	B Compt Hons (Accounting Science and Bridging)
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Ten Years in senior and two years in middle management	Five years in senior and three years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	Yes
Financial and Supply Chain Management Competency Areas:	Required Minimum Competency Level in Unit Standards = CPMF	Yes	Yes
<ul style="list-style-type: none"> ➤ Strategic leadership and management ➤ Operational financial management ➤ Governance, ethics and values in financial management ➤ Financial and performance reporting ➤ Risk and change management ➤ Legislation, policy and implementation ➤ Stakeholder relations ➤ Supply Chain Management ➤ Project management ➤ Audit and assurance 			

Chapter 5



INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises 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 R240 million compared to the budgeted deficit of R 302.8 million as per the financial summary. This was mainly due to the provision for the none-cash item of debt impairment.

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	2015/16	2016/17		Actual	2016/17 Variance	
	Actual	Original	Adjusted		Original	Adjustments
Financial performance						
Property rates	272 707	317 223	338 663	265 941	0.19	0.27
Service charges	1 311 585	1 576 423	1 580 676	1 389 127	0.13	0.14
Investment revenue	6 912	2 108	2 108	8 358	(0.75)	(0.75)
Transfers recognised operational	446 574	351 271	351 271	477 693	(0.26)	(0.26)
Other own revenue	228 614	267 149	277 855	261 421	0.02	0.06
Total revenue (excl. capital transfers and contributions)	2 266 392	2 514 173	2 550 572	2 402 541	0.05	0.06
Employee costs	489 415	527 466	529 331	530 452	(0.01)	(0.00)
Remuneration of councillors	23 982	25 138	25 138	28 398	(0.11)	(0.11)
Depreciation & asset impairment	427 744	476 888	476 888	410 556	0.16	0.16
Finance charges	33 863	14 181	14 169	43 955	(0.68)	(0.68)
Materials and bulk purchases	809 946	917 760	923 189	843 460	0.09	0.09
Other expenditure	–	–	–	–		
Total expenditure	735 717	857 523	884 716	852 981	0.01	0.04
Surplus/(Deficit)	2 520 667	2 818 956	2 853 431	2 709 801	0.04	0.05

Chapter 5

FINANCIAL SUMMARY (Continued)						
						R' 000
Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	3 389	134 616	122 646	104 547	0.29	0.17
Contributions recognised - capital and contributed assets						
Surplus/(Deficit) after capital transfers and contributions	(250 886)	(170 167)	(180 212)	(202 714)	(0.16)	(0.11)
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	(250 886)	(170 167)	(180 212)	(202 714)	(0.16)	(0.11)
Capital expenditure and funding sources						
Capital expenditure						
Transfers recognised - capital	100 131	134 616	121 141	130 179	3%	-7%
Public contributions and donations	–	–	–	–		
Borrowing	–	–	–	–		
Internally generated funds	10 879	10 000	52 800	5 125	95%	930%
Total sources of capital funds	111 010	144 616	173 941	135 304	7%	29%
Financial position						
Total current assets	357 054	202 028	257 581	473 933	-57%	-46%
Total non-current assets	5 826 340	5 408 613	5 341 156	5 551 418	-3%	-4%
Total current liabilities	610 587	226 341	466 986	781 726	-71%	-40%
Total non-current liabilities	356 357	407 000	360 000	334 436	22%	8%
Community wealth / Equity	5 216 449	4 977 300	4 771 750	4 909 188	1%	-3%
Cash flows						
Net cash from (used) operating						
Net cash from (used) investing	93 740	179 588	242 243	233 145	-23%	4%
Net cash from (used) financing	(91 939)	(145 588)	(174 913)	(148 419)	-2%	18%
Cash/cash equivalents at the year end	(6 731)	(14 000)	(19 950)	(19 763)	-29%	1%
Cash backing/surplus reconciliation						
Cash and investments available	25 569	99 000	64 945	10 945	%	%
Application of cash and investments	428 167	80 086	249 810	291 328	%	%
Balance - surplus (shortfall)	(402 598)	18 914	(184 865)	(280 383)	%	%
Asset management						
Asset register summary (WDV)	5 659 598	6 343 414	6 347 164	5 390 359	%	%
Depreciation and asset impairment	427 744	476 888	476 888	410 556	%	%
Renewal of existing assets	–	11 170	11 170	–	%	%
Repairs and maintenance	50 601	105 958	111 387	68 240	%	%

Chapter 5

FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Free services						
Cost of free basic services provided	–	153 484	153 484	–	%	%
Revenue cost of free services provided	–	64 190	64 190	–	%	%

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2015/16	2016/17			2016/17 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustment
Operating cost						
Water	385 097	521 380	458 319	403 462	-29.23%	9.00%
Waste-water (Sanitation)	105 491	117 875	132 266	109 982	-7.18%	-20.26%
Electricity	639 291	724 563	785 486	715 673	-1.24%	-9.75%
Waste management	100 577	121 909	100 176	87 480	-39.36%	-14.51%
Housing	12 889	10 452	11 381	9 999	-4.53%	-13.82%
Component A: sub-total	1 243 345	1 496 179	1 487 628	1 326 596	-12.78%	-12.14%
Storm-water drainage	–	–	–	–	–	–
Roads	248 090	224 880	217 744	210 381	-6.89%	-3.50%
Transport	–	–	–	–	–	–
Component B: sub-total	248 090	224 880	217 744	210 381	-6.89%	-3.50%
Planning	–	–	–	–	–	–
Local Economic Development	19 457	30 340	32 567	17 278	-75.60%	-88.49%
Component B: sub-total	19 457	30 340	32 567	17 278	-75.60%	-88.49%
Planning (Strategic and regulatory)	–	–	–	–	–	–
Local Economic Development	–	–	–	–	–	–
Component C: sub-total	–	–	–	–	–	–
Community and Social Services	59 649	99 807	137 052	20 973	-375.88%	-553.47%
Environmental Protection	–	–	–	–	–	–
Health	4 788	9 630	11 024	8 651	-11.32%	-27.43%
Security and Safety	120 141	184 213	142 789	113 525	-62.27%	-25.78%
Sport and Recreation	54 971	60 716	83 579	77 196	21.35%	-8.27%
Corporate Policy Offices and Other	770 224	713 190	741 047	935 201	23.74%	20.76%
Component D: sub-total	1 009 773	1 067 556	1 115 491	1 155 546	7.61%	3.47%
TOTAL EXPENDITURE	2 520 665	2 818 955	2 853 430	2 709 801	-4.03%	-5.30%

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COMMENTS ON FINANCIAL PERFORMANCE

Find below explanations 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.
 Other Income: The budgeted revenue on reconnection did not materialise.
 Donations Received: Donation Kanana stands from the mine not budgeted for.
 Interest Received Investments: Interest on arrear accounts exceeded the budgeted amount.

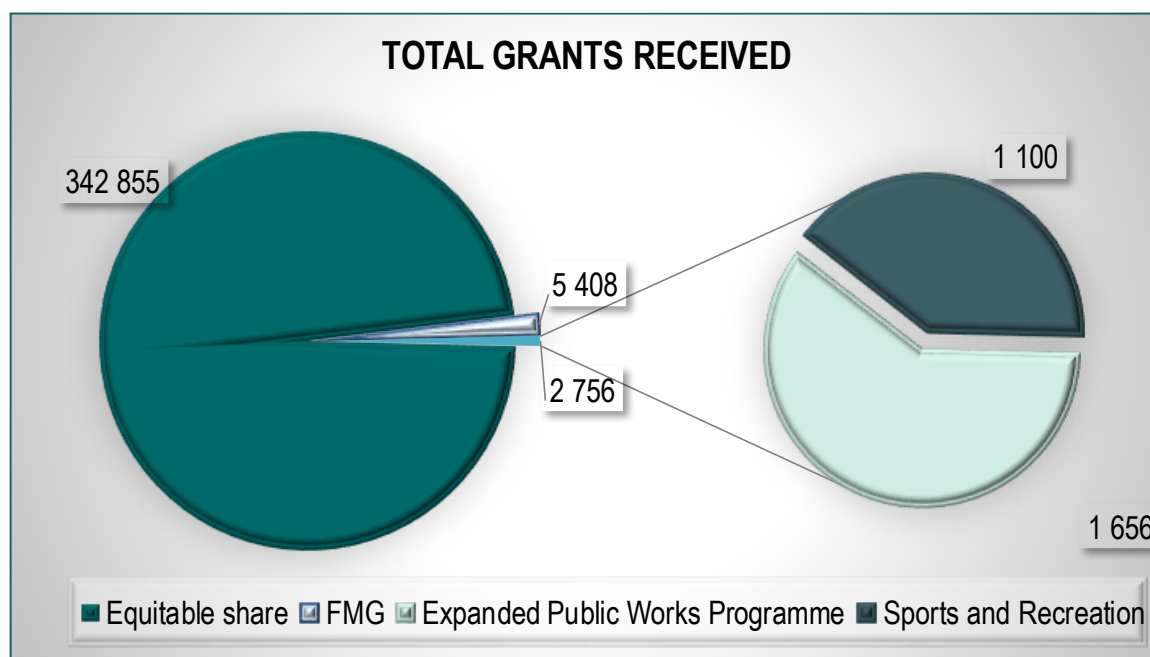
Expenditure:

Repair and Maintenance: Further cost containment result in lower expenditure.
 Contracted Services: Re-connection/Disconnecting services over budgeted for.
 General Expenditure: Further cost containment result in lower expenditure.

5.2 GRANTS

GRANT PERFORMANCE						
						R' 000
Description	2015/16	2016/17		2016/17 Variance		
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
Operating Transfers and Grants						
National Government	344 769	350 508	349 938	346 321	0.00	0%
Equitable share	339 136	342 855	342 855	342 855	0%	0%
Municipal Systems Improvement	930	1 810	1 810	0	0%	0%
FMG	1 675	5 843	5 273	1 810	8%	-2%
Expanded Public Works Programme	3 028	–	–	1 656	0%	0%
Provincial Government	226	1 350	1 350	1 100	23%	23%
Sport and Recreation	226	1 350	1 350	1 100	23%	23%
Fire	2 200	–	–	–	–	–
Total	347 969	351 858	351 288	347 421		

Chapter 5



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.

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 obtained an unqualified audit opinion for the third consecutive year on assets.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2016/17			
Asset 1			
Name	Replacement of prepaid meters		
Description	Replacement of prepaid meters		
Asset Type	Infrastructure		
Key Staff Involved	Electricity section		
Staff Responsibilities	Electricity section		
Asset Value	2014/15	2015/16	2016/17
			R18 102 550
Capital Implications	Better readings of smart meters		
Future Purpose of Asset	No tampering with meters		
Describe Key Issues	Maintenance		
Policies in Place to Manage Asset	Yes		

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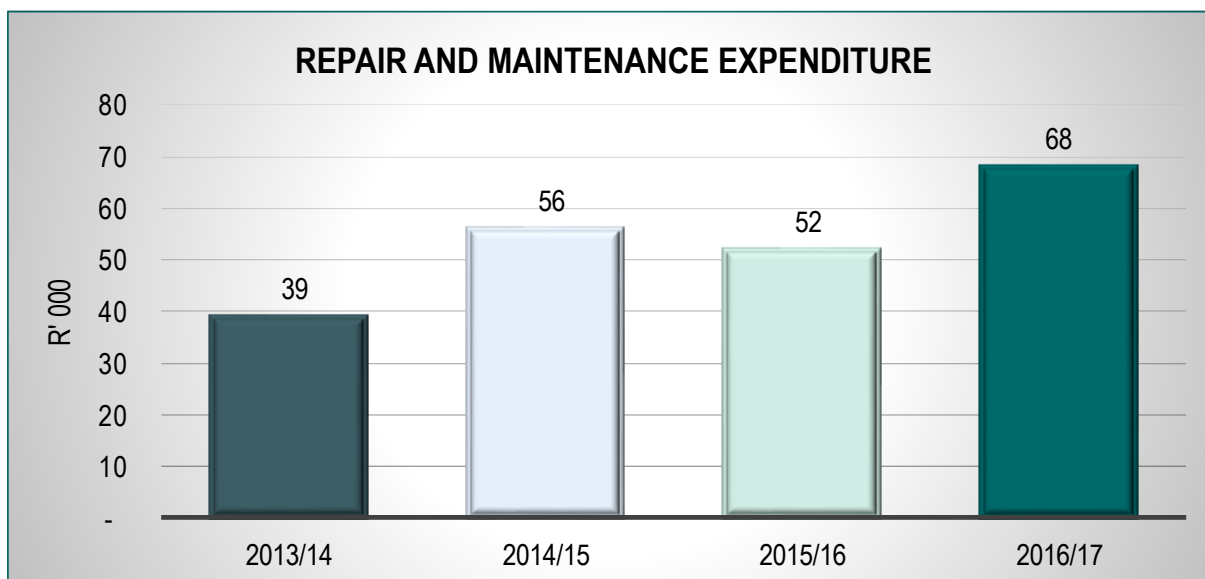
Asset 2			
Name	Storm-water drainage Khuma phase 1		
Description	Storm-water drainage Khuma phase 1		
Asset Type	Infrastructure		
Key Staff Involved	Roads section		
Staff Responsibilities	Roads section		
Asset Value	2014/15	2015/16	2016/17
		R3 699 596	R7 451 326
Capital Implications	Make space available for taxi facilities		
Future Purpose of Asset	Better transport facilities		
Describe Key Issues	Maintenance		
Policies in Place to Manage Asset	Yes		
Asset 3			
Name	Upgrade and beautification of Jabulani Street		
Description	Upgrade and beautification of Jabulani Street		
Asset Type	Infrastructure		
Key Staff Involved	Roads section		
Staff Responsibilities	Roads section		
Asset Value	2014/15	2015/16	2016/17
	R1 136 189	R13 615 300	R11 951 195
Capital Implications	Keep maintenance low		
Future Purpose of Asset	Maintenance		
Describe Key Issues	Yes		
Policies in Place to Manage Asset	Keep maintenance low		

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. The assets were signed off with a completion certificate obtained from the various contractors before these projects could be signed off for completeness.

REPAIR AND MAINTENANCE EXPENDITURE: 2016/17				
				R' 000
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	105 958	111 387	68 240	36%

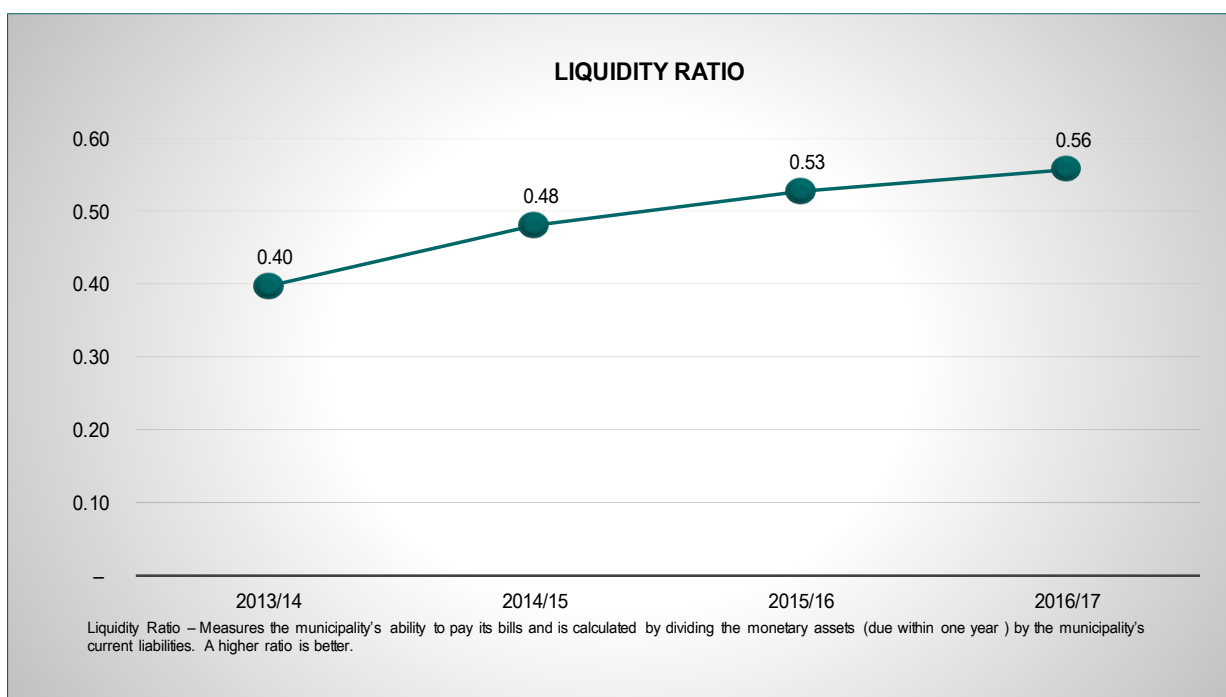
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COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

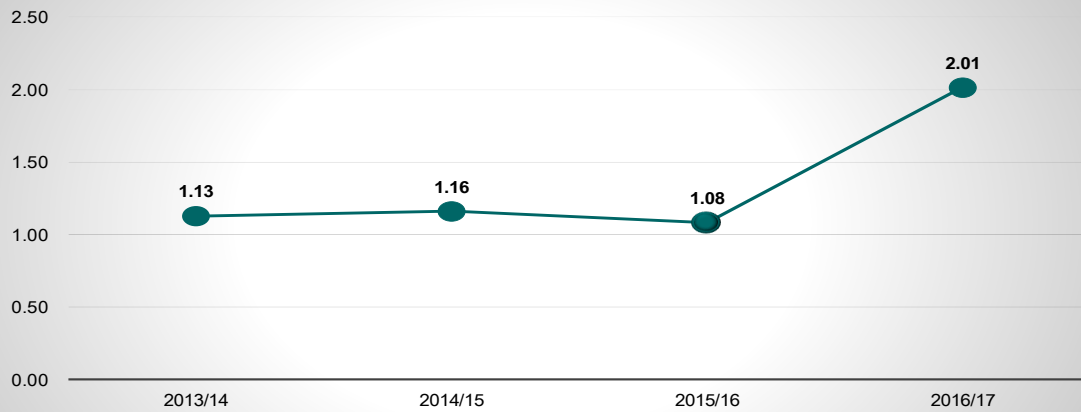
Expenditure on repair and maintenance was very low at 3% compared to the National Treasury norm of 8% of the municipality's operational budget. It must be said that the salary cost of repair and maintenance is included in the 8% and excluded in the 3% reflected above.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



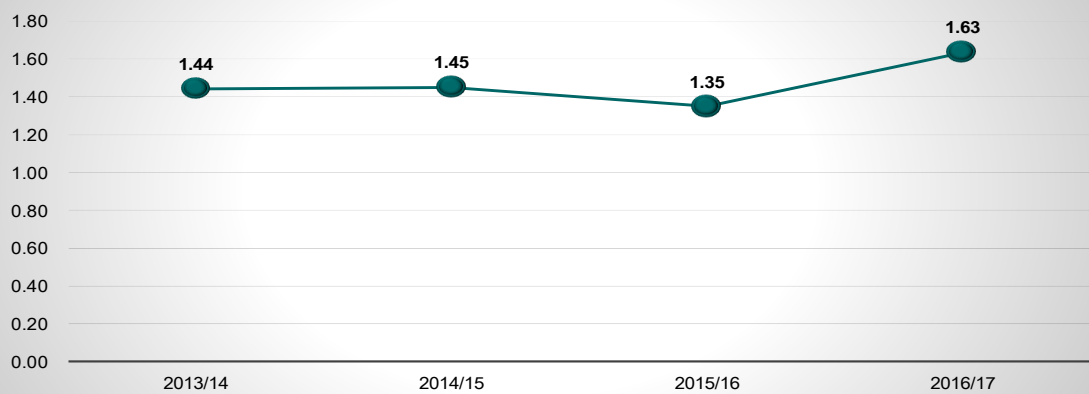
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COST COVERAGE



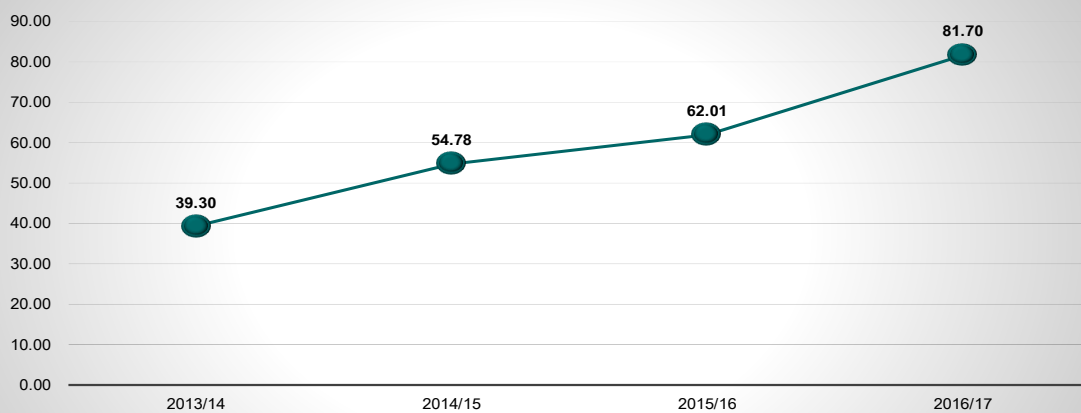
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

TOTAL OUTSTANDING SERVICE DEBTORS



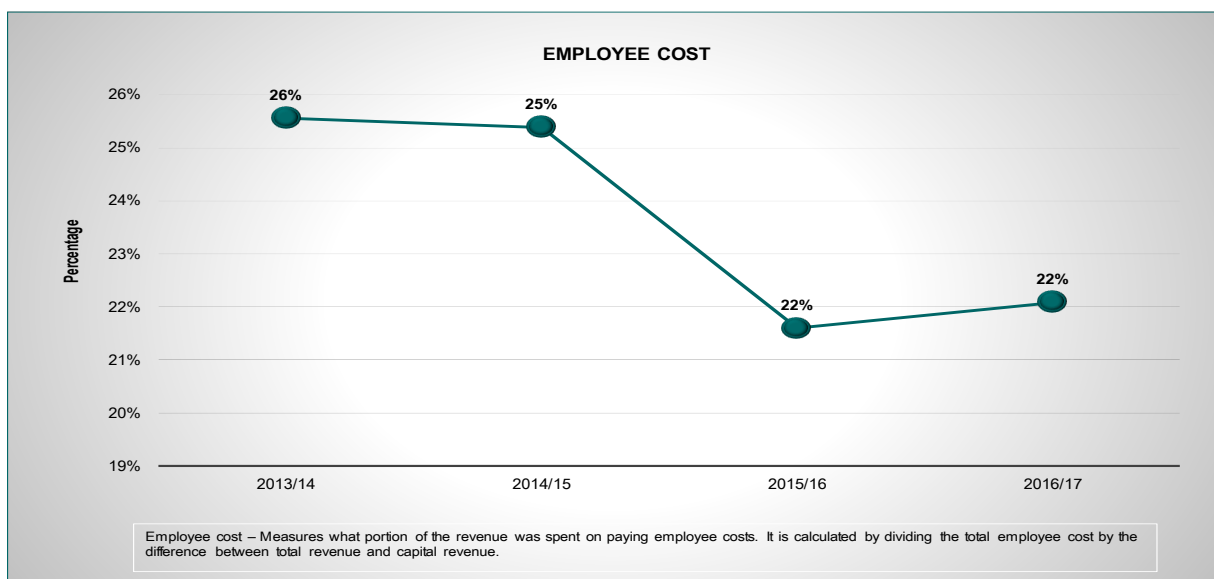
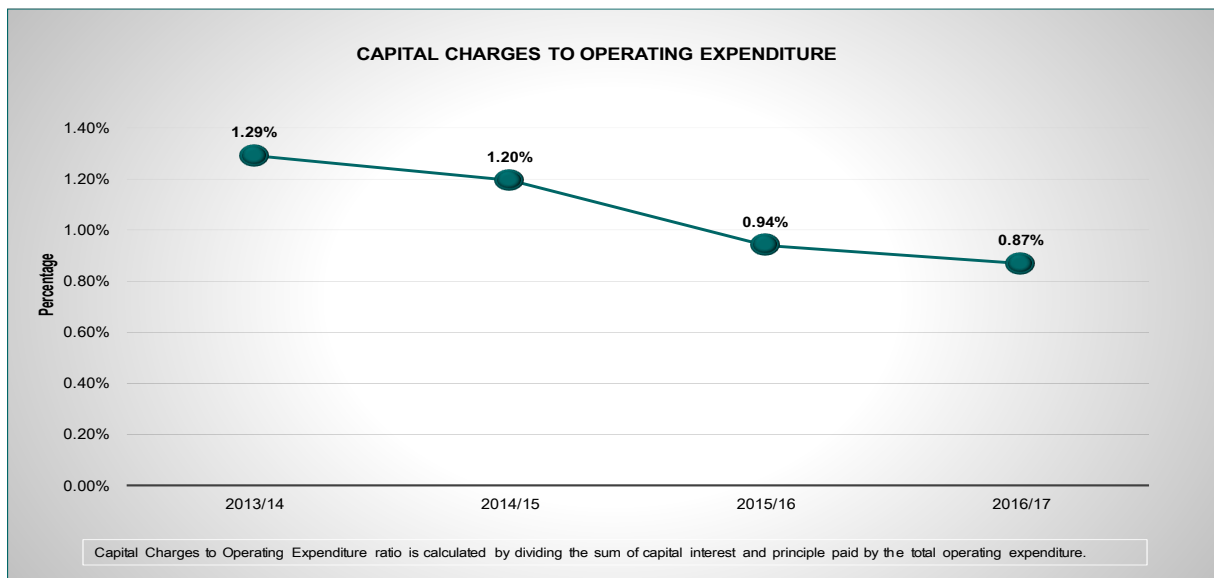
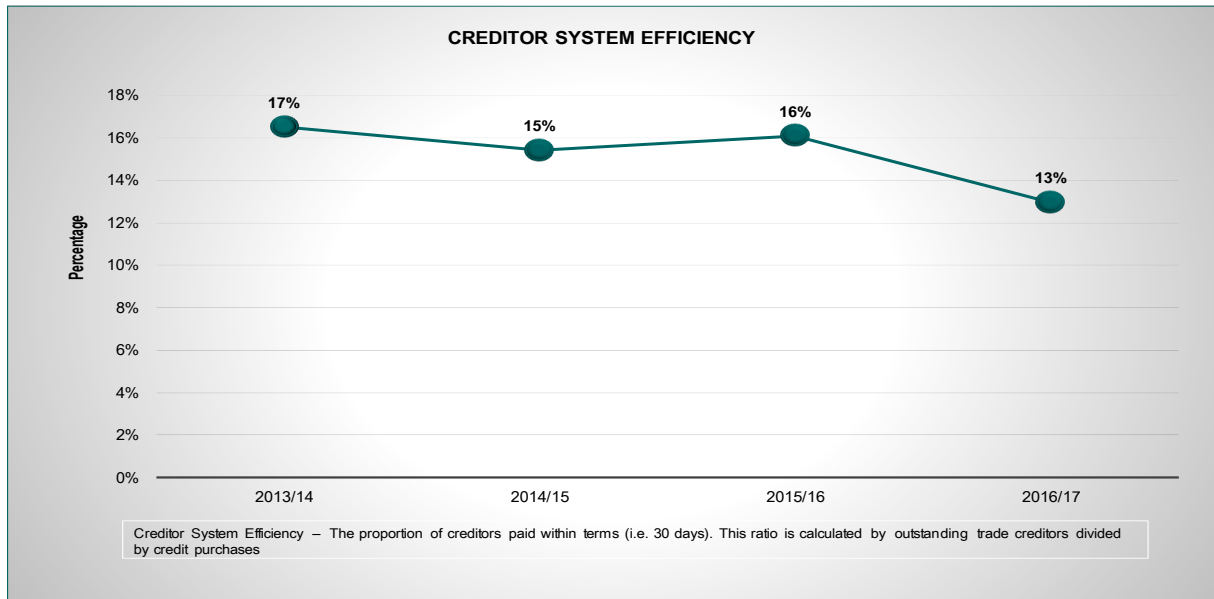
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

DEBT COVERAGE

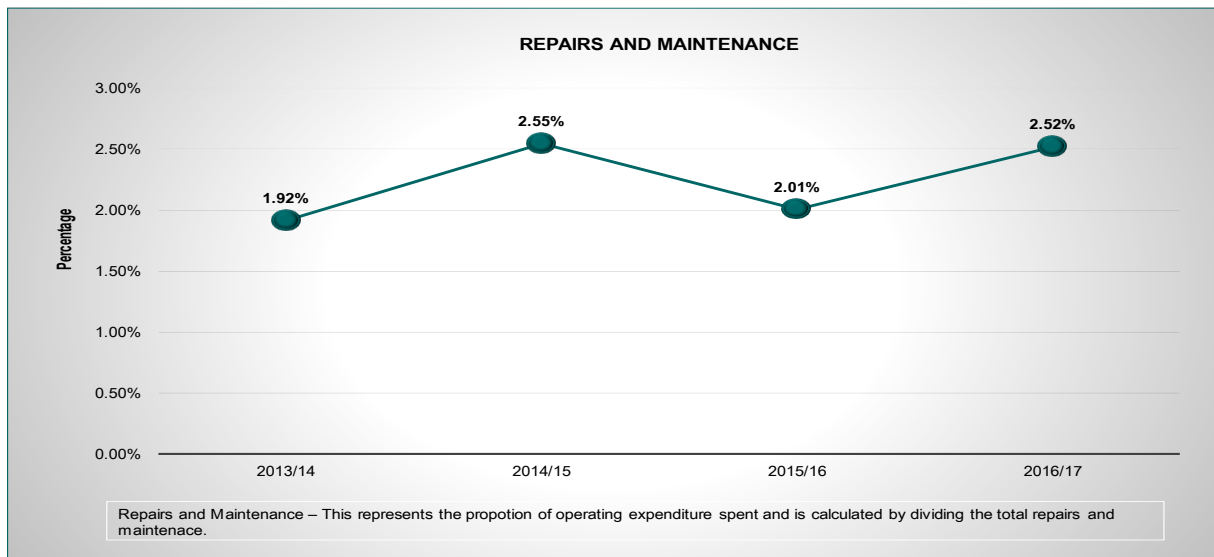


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

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COMMENTS ON THE FINANCIAL RATIO

The liquidity ratio shows a small improvement and is a continuation of the previous period's movements. The low liquidity ratio does require a major improvement in the bottom line as reflected on the statement of financial performance to rectify and bring the ratio in line with the norm. The slow recovery is a product of the budget constraints and the higher debtors' impairment realised.

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 jump in the ratio for the 16/17 financial year is mainly attributable to the fact that more cash was held at year end while the creditors' balance was also higher in comparison with the previous period.

The total outstanding services debtors' ratio has increased in the last period and it can be attributed to the stagnation in the economy. This together with a data cleansing project that realised additional revenue that was not necessary collected (refer to higher debt impairment) was the main cause of this ratio moving higher.

The debt coverage ratio has improved due to more income billed while at the same time there were no new liabilities that needed financing. If the available cash at year end was used to service creditors at year end as had been the case in the prior year, the adjusted ratio for creditors' efficiency would have been 15% and in line with the previous years. The municipality must work towards a cash positive budget to ensure that a reduction of the creditors can be accomplished.

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 in the local government sector.

The low ratio of repair and maintenance remains a concern as it is lower than what is expected of a municipality. It must be noted that the salary cost of repair and maintenance is not included and will increase the percentage if included. Management must implement revenue enhancement and recovery strategies while ensuring that other non-essential costs are reduced and managed to enable the municipality to recover and improve the ratios and improve service delivery.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG). Council's own funded capital is limited. For the year under review the MIG-funded capital budget was well spent, and not all of the NDPG and Council-funded capital budgets were spent.

Please note that the outlines of 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.

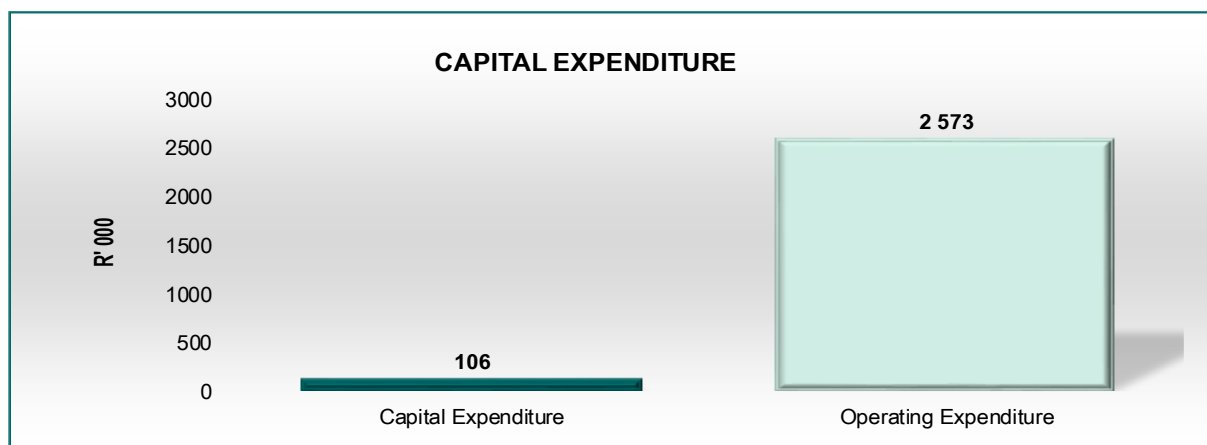
5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2016/17					
	R'000				
R million	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Capital expenditure	145	174	171	-18.0%	1.9%
Operating expenditure	2 819	2 853	2 710	3.9%	5.0%
Total expenditure	2 964	3 027	2 845	4.0%	6.0%
Water and sanitation	18	30	24	-33.9%	21.2%
Electricity	23	54	0	98.5%	99.3%
Housing	–	–	–		
Roads, pavements, bridges and storm-water	46	54	86	-86.5%	-60.4%
Other	57	35	60	-5.4%	-69.9%
External loans					
Internal contributions					
Grants and subsidies	145	174	171	-18.0%	1.9%
Other					
External loans	–	–	–		
Grants and subsidies	–	–	–		
Investments redeemed	–	–	–		
Statutory receipts (incl. VAT)	–	–	–		
Other receipts	–	–	–		
Salaries, wages and allowances	553	554	556	-0.7%	-0.3%
Cash and creditor payments					
Capital payments	145	174	171	-18.0%	1.9%
Investments made					
External loans repaid	14	14	44	-210.0%	-210.2%
Statutory payments (including VAT)					
Other payments					

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CAPITAL EXPENDITURE 2016/17 (Cont.)					
				R'000	
R million	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Property rates	317	339	266	16.2%	21.5%
Service charges	1 576	1 581	1 397	11.4%	11.6%
Other own revenue	621	631	739	-19.1%	-17.1%
	2 514	2 551	2 403	4.4%	5.8%
Employee related costs	587	588	607	-3.4%	-3.2%
Provision for working capital	–	–	–		
Repairs and maintenance	106	111	68	35.6%	38.7%
Bulk purchases	812	812	775	4.5%	4.5%
Other expenditure	1 314	1 342	1 255	4.5%	6.5%
	2 819	2 853	2 705		5.2%
Service charges: Electricity	650	622	699	-7.6%	-12.4%
Grants and subsidies: Electricity					
Other revenue: Electricity	239	286	31	87.1%	89.2%
	889	908	730	17.9%	19.6%
Employee-related costs: Electricity	38	31	40	-3.4%	-26.6%
Provision for working capital: Elec					
Repairs and maintenance: Elec	29	29	23	17.6%	17.6%
Bulk purchases: Electricity	556	556	530	4.6%	4.6%
Other expenditure: Electricity	102	170	123	-20.1%	27.9%
	725	785	716	1.2%	8.9%
Service charges: Water	497	480	465	6.4%	3.1%
Grants and subsidies: Water					
Other revenue: Water	141	143	33	76.6%	76.9%
	638	623	498	21.9%	20.0%
Employee-related costs: Water	25	28	31	-24.2%	-9.7%
Provision for working capital: Water					
Repairs and maintenance: Water	16	13	7	57.8%	48.5%
Bulk purchases: Water	256	256	245	4.2%	4.2%
Other expenditure: Water	224	151	121	46.2%	20.3%
	521	449	403	22.6%	10.1%

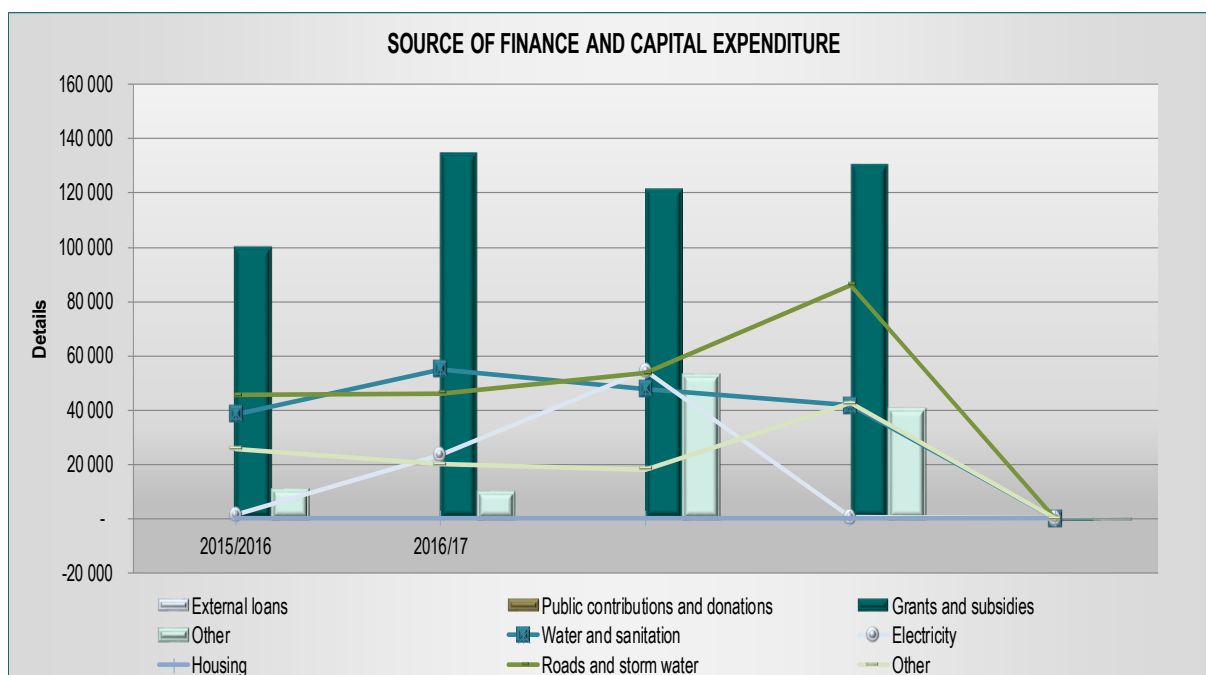
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5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2014/15 TO 2016/17						
	R' 000					
Details	2015/16	2016/17				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	-	-	-	0.0%	0.0%
Public contributions and donations	0	-	-	-	0.0%	0.0%
Grants and subsidies	100 131	134 616	121 141	130 179	-10.01%	-3.30%
Other	10 879	10 000	52 800	40 482	428.00%	304.82%
Total	111 010	144 616	173 941	170 661	417.99%	301.52%
Percentage of finance						
External loans	-	-	-	-	0.0%	0.0%
Public contributions and donations	-	-	-	-	0.0%	0.0%
Grants and subsidies	1	1	1	1	-2.4%	-1.1%
Other	0	0	0	0	0.0%	0.0%
Capital expenditure						
Water and sanitation	38 491	55 122	47 772	41 771	-13.33%	-24.22%
Electricity	1 335	23 400	54 361	356	132.31%	-98.48%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm-water	45 468	46 170	53 684	86 086	16.27%	86.45%
Other	25 716	19 924	18 124	42 448	-9.03%	113.05%
Total	111 010	144 616	173 941	170 661	126.22%	76.80%

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COMMENT ON SOURCES OF FUNDING

Capital is mainly funded by the Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG). Council's own funded capital is limited. For the year under review the capital budget was not 100% spent. The departments did apply for roll-over capital funding from National Treasury.

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF FIVE LARGEST PROJECTS*					
Name of Project	2016/17			Variance: 2016/17	
	Original	Adjusted	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Replacement of pre-paid meters	35 000	35 000	18 102	-93%	-93%
Spine node & taxi facilities	7 852	14 321	15 449	7%	49%
Water Supply Midvaal Endpoint to Jouberton and Alabama	6 755	16 764	14 705	-14%	54%
Upgrade and beautification Jabulani Street	12 500	13 663	11 951	-14%	-5%
Main Storm-Water Drainage Khuma Phase 1	7 000	8 494	7 451	-14%	6%
* Projects with the highest capital expenditure in 2016/17					
NAME OF PROJECT - A	Replacement of pre-paid meters				
Objective of project	Upgrade equipment smart meters				
Delays	None				
Future challenges	None				
Anticipated benefits	Service delivery				

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NAME OF PROJECT - B	Spine node and taxi facilities
Objective of project	Taxi facilities
Delays	None
Future challenges	None
Anticipated benefits	Better transport facilities
NAME OF PROJECT - C	Water supply Midvaal Endpoint to Jouberton and Alabama
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	Better township entrance
NAME OF PROJECT - E	Main storm-water drainage Khuma Phase 1
Objective of project	Storm-water drainage
Delays	None
Future challenges	None
Anticipated benefits	Storm-water drainage

COMMENTS ON CAPITAL PROJECTS

The above-mentioned major projects were implemented within an approved budget. On these large projects adjustments were accordingly made to ensure proper completion of the projects.

The key to timeous implementation of projects revolves around forward planning and the timeous approval of the implementation plan by Council.

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 settlement put more pressure on the upgrading of core bulk infrastructure and increased settlement on unproclaim areas.

The current calculated cost for the upgrade ranged from R 200 million to R 225 million spread over a period of five (5) years, to be on par with the backlogs.

SERVICE BACKLOGS AS AT 30 JUNE 2017				
Services	Households (Hhs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No HHs	% HHs	No HHs	% HHs
Water	168 950	99.0%	1 739	1.0%
Sanitation	168 483	98.7%	2 206	1.3%
Electricity	165 743	97.0%	4 946	3.0%
Waste management	165 277	97.0%	5 412	3.0%
% Hhs are the service above / below minimum standard as a proportion of total Hhs.				

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The above backlog will soon affect the municipality in a negative way; however, with the current development of Water Services Development Plans and other infrastructure forecast documentation for roads and human settlements as well as the submission of reports for counter funding to assist in addressing some of the challenges. The repeated seismic incidents put more stress on the existing and old infrastructure especially in the Orkney and Stilfontein areas.

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2016/17 ON SERVICE BACKLOGS					
R' 000					
Details	Budget	Adjusted	Actual	Variance	
				Budget	Adjustment
Infrastructure - Road transport	19 547	21 940	21 940	-11%	0%
Storm water	19 547	21 940	21 940	-11%	0%
Infrastructure – Electricity	6 600	6 275	6 275	5%	0%
High masts	6 600	6 275	6 275	5%	0%
Infrastructure - Water	17 936	21 079	21 089	-15%	0%
Alabama bulk water ph3	11 170	4 325	4 325	158%	0%
Water supply Midvaal	6 766	16 754	16 764	-60%	0%
Infrastructure - Sanitation	25 187	17 547	17 526	44%	0%
Upgrade sewer network Khuma	12 022	7 794	7 787	54%	0%
Sewerage purification	5 496	3 653	3 643	51%	0%
Upgrades pump-station	7 669	6 100	6 096	26%	0%
Infrastructure - Other	4 624	4 624	4 608	0%	0%
Market	4 624	4 624	4 608	0%	0%
Other specify: Sport	5 300	8 594	8 594	-38%	0%
Athletic Track Matlosana Stadium	5 300	5 300	5 300	0%	0%
New Complex Khuma	-	3 294	3 294	-100%	0%
Total	79 194	80 059	80 032	%	%

*MIG is a government grant programme designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

COMMENTS ON BACKLOGS

The City of Matlosana has to further implement two major projects for water supply to strengthen the existing supply to various communities and to unlock further development which already eminent. The implementation of a further bulk sanitation project will unlock among others the development on the east of Klerksdorp.

Lack of funding on capital projects by the Municipality and the ageing infrastructure remains a challenge

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

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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
Description	2015/16	2016/17		
	Audited Outcome	Original	Adjusted	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	1 137 148	1 844 971	1 844 971	1 158 964
Government - operating	345 735	351 271	351 271	346 313
Government - capital	98 134	134 616	122 646	130 162
Interest	138 481	2 108	2 108	170 467
Dividends	–	–	–	–
Payments				
Suppliers and employees	(1 591 896)	(2 139 197)	(2 064 572)	(1 528 806)
Finance charges	(33 863)	(14 181)	(14 181)	(43 955)
Transfers and Grants	–	–	–	–
NET CASH FROM / (USED) OPERATING ACTIVITIES	93 739	179 588	242 243	233 145
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE			–	
Decrease (increase) in non-current debtors	(88 458)	–	–	(149 824)
Decrease (increase) other non-current receivables	–	28	28	
Decrease (increase) in non-current investments	–	–	–	(225)
Payments	935	(500)	(500)	1 630
Capital assets				
NET CASH FROM / (USED) INVESTING ACTIVITIES	(4 416)	(144 616)	(173 941)	–
CASH FLOWS FROM FINANCING ACTIVITIES	(91 939)	(145 088)	(174 413)	(148 419)
Receipts				
Short term loans				
Borrowing long-term / refinancing				
Increase (decrease) in consumer deposits	–	–	–	–
Payments	–	–	–	–
Repayment of borrowing / NT liabilities	6 362	–	–	(5 184)
NET CASH FROM / (USED) FINANCING ACTIVITIES				
NET INCREASE / (DECREASE) IN CASH HELD	(13 093)	(16 000)	(21 950)	(14 578)
Cash / cash equivalents at the year beginning	(6 731)	(16 000)	(21 950)	(19 763)
Cash / cash equivalents at the year ending				

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COMMENT ON CASH FLOW OUTCOMES

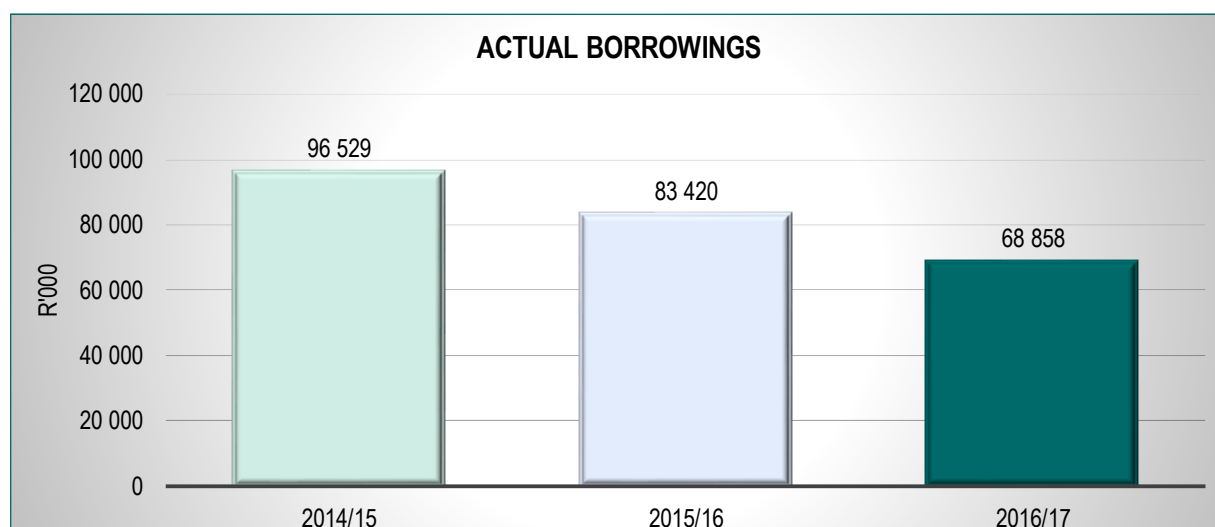
The municipality's cash flow remains under pressure due to a low collection rate in areas where Eskom supplies electricity. The current economic climate is also a contributing factor. The available cash is actively managed on a daily basis to ensure that the necessary basic service delivery objectives 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)	96 529	83 420	68 858
MUNICIPALITY TOTAL	96 529	83 420	68 858



MUNICIPAL INVESTMENTS			
	R' 000		
Investment type	2014/15 Actual	2015/16 Actual	2016/17 Actual
Deposits – Bank	18 493	19 875	21 697
Guaranteed Endowment Policies (sinking)	7 304	7 817	8 361
TOTAL	25 797	27 692	30 058

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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 government 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 the compilation of its financial statements, as part of the 2015/16 financial statement preparation process.

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INTRODUCTION

The Audited 2016/17 Annual Report, including the Annual Financial Statements and Annual Performance Report is submitted to the Auditor-General on 31 August 2017 for auditing, as per legislative requirement.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2015/16

6.1 AUDITOR-GENERAL REPORTS 2015/16

AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2015/16

Qualified opinion – Financial Performance

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.

Unqualified opinion - Predetermined objectives

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.

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.

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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.

6.2 AUDITOR-GENERAL'S REPORT 2016/17



AUDITOR - GENERAL
SOUTH AFRICA

Report of the auditor-general to the North West provincial legislature and the council on the City of Matlosana

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the City of Matlosana set out on pages 327 to 385, which comprise of the statement of financial position as at 30 June 2017, and 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Irregular expenditure

3. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R22 005 571 (2016: R40 744 985) in contravention of the supply chain management regulations, that were not included in the irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R2 392 320 044 (2016: R2 117 068 158) as per note 44 to the financial statements.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs).



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My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty related to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. The statement of financial performance indicates that the municipality incurred a deficit of R307 260 510 during the year ended 30 June 2017 and, as of that date, the municipality's current liabilities exceeded its current assets by R307 793 437. 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.

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 R184 080 291 was incurred in the current year and the unauthorised expenditure of R1 498 231 982 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 R37 420 124 was incurred in the current year and fruitless and wasteful from prior years of R114 486 490 had not yet been dealt with in accordance with section 32 of the MFMA.

Material losses

12. As disclosed in note 33 to the financial statements, electricity losses of 24% (2016: 25%) with a calculated cost of R125 446 243 (2016: R131 004 821) and water losses of 35% (2016: 29%) with a calculated cost of R86 088 141 (2016: R68 244 392) were incurred.
13. As disclosed in note 27 to the financial statements, contribution to debt impairment provision of R543 458 552 (2016: R480 063 289) were incurred as a result of significant impairment of debtors.

Restatement of corresponding figures

14. As disclosed in note 38 to the financial statements, a number of corresponding figures have been restated as a result of errors discovered during the year ended 30 June 2017.



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Material underspending of the budget

15. As disclosed in the statement of comparison of budget and actual amounts the municipality underspent on capital expenditure by R31 693 235 as well as repairs and maintenance by R18 891 075 due to cash flow shortages. As a consequence, the municipality was unable to adequately fulfil its mandate regarding service delivery.

Other matters

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

Unaudited disclosure notes

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

Unaudited supplementary schedules

18. The supplementary information set out on page 386 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.

Responsibilities of the accounting officer for the financial statements

19. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
20. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the municipality or to cease operations, or there is no realistic alternative but to do so.

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

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



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

Report on the audit of the annual performance report

Introduction and scope

23. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
24. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
25. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the annual performance report of the municipality for the year ended 30 June 2017:

Key performance area	Pages in the annual performance report
KPA 1 - Basic service delivery and infrastructure development	142–159; 202; 211–217
KPA 3 - Local economic development	166–167; 209; 218

26. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
27. 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.

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. Refer to the annual performance report on pages 142 to 222 for information on the achievement of planned targets for the year.



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Adjustment of material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 - Basic service delivery and infrastructure development as well as KPA 3 - Local economic development. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

31. 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)(a) and (b) of the MFMA.
32. Allegations of financial misconduct against the accounting officer of the municipality were not always investigated, as required by section 171(4) of MFMA.

Consequence management

33. 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)(a) and (b) of the MFMA.
34. Allegations of financial misconduct against the accounting officer of the municipality were not always investigated, as required by section 171(4) of MFMA.

Budgets

35. Reasonable steps were not taken to prevent unauthorised expenditure of R184 080 291, as disclosed in note 42 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was due to overspending of the budget that was caused by insufficient budgeting for the impairment on the consumer and other debtors.

Annual financial statements

36. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

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



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38. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by deviating from and not following the correct competitive bidding process. Irregular expenditure of R12 394 261 was incurred on the key projects for the construction of water supply from Midvaal end point to Jouberton and Alabama as well as on the Alabama 2ML elevated reservoir.
39. Effective steps were not taken to prevent fruitless and wasteful expenditure of R37 420 124, as disclosed in note 43 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on late payment to creditors.

Procurement and contract management

40. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
41. Some of the contracts and quotations were accepted from 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). Similar non-compliance was also reported in the prior year.
42. Quotations and some contracts were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.
43. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
44. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
45. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2). This non-compliance was also identified in the procurement processes for the construction of water supply from Midvaal end point to Jouberton and Alabama.
46. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding, as required by SCM regulations 21(b) and 28(1)(a).
47. Competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). This non-compliance was also identified in the procurement processes for the construction of water supply from Midvaal end point to Jouberton and Alabama.
48. Some of the contracts were made to bidders other than those recommended by the bid



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evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b). Similar non-compliance was also reported in the prior year.

49. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1).
50. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.
51. Sufficient appropriate audit evidence could not be obtained that the performance of some of the contractors or providers was monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
52. Sufficient appropriate audit evidence could not be obtained that the contract performance and monitoring measures and methods were sufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA.
53. 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) and the code of conduct for staff members issued in terms of the Municipal Systems Act, 2000 (Act 32 of 2000) (MSA).

Human resource management

54. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the MSA.

Other information

55. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected key performance areas presented in the annual performance report that have been specifically reported on in the auditor's report.
56. My opinion and findings do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
57. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
58. I did not receive the other information prior to the date of the auditor's report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

59. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my



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objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

- Leadership did not adequately monitor management action plans to address prior year audit findings regarding financial and performance reporting, compliance as well as related internal controls. 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.
- 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 resignations, leading to these positions being filled by acting officials.
- Management's failure to comply with laws and regulations as well as their inability to implement controls to ensure reliable and accurate financial and performance 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.
- Management do not have an adequate risk strategy that addresses identified risks in supply chain management, as well as non-compliance with laws and regulations.
- 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

60. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

61. A consulting firm is performing an investigation at the request of the Premier of the North West province. The investigation was initiated during 2015 based on allegations of possible financial misconduct at the municipality. The investigation is still on-going at date of this report.

Auditor General

Potchefstroom

30 November 2017



AUDITOR - GENERAL
SOUTH AFRICA

Annexure – Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected key performance areas and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Matlosana ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a municipality to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.



Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2016/17

The 2016/17 period under review was still part of a period of change. This included a new council, appointment of Municipal Manager and Chief Financial Officer while the administration team (S139(b)) have disengaged. There were still major gaps regarding the vacant section 56 posts as well as the vacant deputy directors' posts in the finance department.

We have managed this with the available resources and the municipality had a dedicated team that put in a lot of hard work and effort into delivering a set of AFS that is credible. The MM also took great responsibility in making sure that all departments attended the regular audit readiness and audit steering committee meetings to ensure that the best possible audit outcome could be achieved.

As always it is important for the municipality to have a mutual benefitting relationship with the Auditor- General. This year we again had a good working relationship with the AG and we believe we have used all our available resources to address their requests and findings in a timeous manner. We also appreciated their flexibility when we requested additional time to respond as well as their advice where given.

There is only one item that was raised that led to a qualified audit opinion. The AG identified certain transactions that they deemed should have been included in the irregular expenditure register that had to be disclosed in the notes to the financial statements. This related to the fact that the municipality did not always have the required minimum number of senior managers participating in the bid adjudication processes. This was due to the fact mentioned above that there were vacant Section 56 positions. The municipality did though make sure that senior officials were selected with the necessary competence to the committee to ensure service delivery. To address this issue requires inclusion thereof in the register while the appointment of the section 56 managers will address the irregularity.

Other issues raised by the Auditor-General as matters of emphasis 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 objectives are achieved through regular and continuous progress reporting mechanisms.

It is the opinion of management that an unqualified audit opinion for 2017/18 is attainable with the continued support of all management and staff.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2016/17

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.



CHIEF FINANCIAL OFFICER

12 JANUARY 2018

Glossary



GLOSSARY

GLOSSARY	
ACCESSIBILITY INDICATORS	Explore whether the intended beneficiaries are able to access services or outputs.
ACCOUNTABILITY DOCUMENTS	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
ACTIVITIES	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
ADEQUACY INDICATORS	The quantity of input or output relative to the need or demand.
ANNUAL REPORT	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
APPROVED BUDGET	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
BASELINE	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
BASIC MUNICIPAL SERVICE	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger the public health and safety or the environment.
BUDGET YEAR	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
COST INDICATORS	The overall cost or expenditure of producing a specified quantity of outputs.
DISTRIBUTION INDICATORS	The distribution of capacity to deliver services.
FINANCIAL STATEMENTS	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
GENERAL KEY PERFORMANCE INDICATORS	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
IMPACT	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
INPUTS	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
INTEGRATED DEVELOPMENT PLAN (IDP)	Set out municipal goals and development plans.
NATIONAL KEY PERFORMANCE AREAS	<ul style="list-style-type: none"> ▶ Service Delivery & Infrastructure ▶ Economic Development ▶ Municipal Transformation and Institutional Development ▶ Financial Viability and Management ▶ Good governance and Public Participation

OUTCOMES	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
OUTPUTS	The final products or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or 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 INFORMATION	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
PERFORMANCE STANDARDS	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this 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 BUDGET IMPLEMENTATION PLAN	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
VOTE	<p>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.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>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</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

Appendices



APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL - ATTENDANCE

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr M Babuile	PT	Community and Health Services; Infrastructure; Electrical Engineering	EFF	68%	32%
Cllr SOC Barrends	PT	Community and Health Services	ANC	95%	5%
Cllr CJ Bester	PT	Finance and Debt Normalisation	DA	77%	23%
Cllr SPJ Bogatsu	FT	MPAC Chairperson	ANC	81%	19%
Cllr MT Botman	PT	MPAC	F4SD	77%	23%
Cllr PZM Burrel	PT	Economic Growth and Market; Transversal Issues	DA	86%	14%
Cllr MM Chao	PT	Sport, Arts and Culture	ANC	91%	9%
Cllr MV Chinga	FT	Single Whip	ANC	86%	14%
Cllr M Coetzee	PT	Infrastructure	DA	55%	45%
Cllr A Combrinck	PT	MPAC	DA	86%	14%
Cllr GLJ Cromhout	PT	Public Safety	DA	86%	14%
Cllr LL Cutswa	PT	Transversal Issues	ANC	86%	14%
Cllr SJ Daemane	FT	MMC Public Safety	ANC	82%	18%
Cllr IM Groenewald	PT	MPAC	FF+	73%	27%
Cllr PA Hlekiso	PT	Transversal Issues; Sport, Arts and Culture; Infrastructure Public Safety	EFF	68%	32%
Cllr PT Horn	PT	Community and Health Services; Finance and Debt Normalisation	FF+	77%	23%
Cllr KB Kali***	PT	Finance and Debt Normalisation	EFF	50%	50%
Cllr ME Kamati	PT	Transversal Issues	ANC	91%	9%
Cllr MME Kgaile	FT	Executive Mayor	ANC	73%	27%
Cllr L Khoza	PT	MPAC	EFF	77%	23%
Cllr TG Khoza	FT	MMC Economic Growth and Market	ANC	95%	5%
Cllr EL Kleynhans	PT	Economic Growth and Market; Infrastructure	FF+	91%	9%

Appendices

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees allocated	*Ward and / or Party represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr M Koekemoer	PT	Sport, Arts and Culture; Corporate Services	DA	82%	18%
Cllr LM Kortjas	PT	Community and Health Services	DA	77%	23%
Cllr JJ le Grange	PT	MPAC	DA	86%	14%
Cllr WJJ Louwrens	PT	Electrical Engineering	DA	82%	18%
Cllr NA Ludidi	PT	MPAC	ANC	96%	4%
Cllr PF Mabeli	FT	MMC Sport, Arts and Culture	ANC	96%	4%
Cllr TM Mabulela	PT	Infrastructure	ANC	96%	4%
Cllr PC Magwaca	PT	MPAC	COPE	45%	55%
Cllr MC Mahlangu	PT	MPAC	ANC	82%	18%
Cllr NG Malete	PT	Public Safety	DA	68%	32%
Cllr MI Mangesi	PT	Infrastructure	ANC	91%	9%
Cllr IN Matetoane	FT	MMC Transversal Issues	ANC	100%	0
Cllr A Meiring****	PT	Finance and Debt Normalisation; Economic Growth and Market	IRASA	100%	0
Cllr NS Mandela	FT	MMC Community and Health Services	ANC	96%	4%
Cllr LH Methi	PT	Community and Health Services Housing, Land Affairs and Rural Development	EFF	82%	18%
Cllr PN Moeng	PT	Housing, Land Affairs and Rural Development	ANC	86%	14%
Cllr GA Mohoemang	PT	MPAC	ANC	91%	9%
Cllr ML Mojaki	FT	MMC Corporate Services	ANC	100%	0
Cllr LD Molefi	PT	Corporate Services	ANC	95%	5%
Cllr L Moloko	PT	Housing, Land Affairs and Rural Development; Economic Growth and Market; Community and Health Services; Transversal Issues; Sport, Arts and Culture; Infrastructure; Finance and Debt Normalisation; Corporate Services; Public Safety; Electrical Engineering	F4SD	91%	9%

COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr PM Molutsi	PT	Sport, Arts and Culture; Infrastructure	DA	91%	9%
Cllr SL Mondlane	PT	Economic Growth and Market	ANC	77%	23%
Cllr SD Mongale	PT	Electrical Engineering	ANC	95%	5%
Cllr SD Montoedi	FT	MMC Electrical Engineering	ANC	91%	9%
Cllr SL Moremi	PT	MPAC	ANC	77%	23%
Cllr G Mqikela	PT	Infrastructure	ANC	86%	14%
Cllr ME Mosweu	PT	Housing, Land Affairs and Rural Development; Sport, Arts and Culture	EFF	64%	36%
Cllr SH Nani	PT	Corporate Services	ANC	100%	0
Cllr K Ndincedo	PT	Public Safety	ANC	77%	23%
Cllr GS Nkebe	PT	Finance and Debt Normalisation	ANC	77%	23%
Cllr S Nongqayi	PT	MPAC	ANC	73%	27%
Cllr NB Ntaopane	PT	Transversal Issues	ANC	72%	28%
Cllr MF Nthaba	FT	MMC Infrastructure	ANC	91%	9%
Cllr MJ Ntiane	PT	Economic Growth and Market	ANC	100%	0%
Cllr RW Ntozini	FT	Speaker	ANC	95%	5%
Cllr GC Oosthuizen	PT	Community Health Services	DA	95%	5%
Cllr LM Phakoe	PT	MPAC	ANC	82%	18%
Cllr EM Postma	PT	Corporate Services	DA	91%	9%
Cllr RK Ponisi	PT	Housing, Land Affairs and Rural Development	ANC	95%	5%
Cllr J Qankase	PT	Finance and Debt Normalisation	ANC	77%	23%
Cllr D Roodt**	PT	Finance and Debt Normalisation; Economic Growth and Market	IRASA	42%	58%
Cllr KL Ross	PT	Housing, Land and Rural Development; Transversal Issues	DA	82%	18%
Cllr HF Saudi	PT	Sport, Arts and Culture	ANC	91%	9%
Cllr TS Seabeng	PT	Housing, Land and Rural Development	ANC	86%	14%
Cllr TL Sekgothe	PT	Corporate Services	ANC	95%	5%
Cllr MN Seitisho	PT	MPAC	ANC	86%	14%

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COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and / or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr IM Semonyo	PT	Electrical Engineering	ANC	86%	14%
Cllr SP Sesana	PT	MPAC	DA	100%	0
Cllr LK Shuping	PT	Corporate Services; Public Safety; Transversal Issues	EFF	64%	36%
Cllr SL Sithole	PT	Electrical Engineering	ANC	73%	27%
Cllr SM Steyn	PT	Economic Growth and Market; Electrical Engineering	DA	59%	41%
Cllr PJ Swart	PT	Finance and Debt Normalisation	DA	77%	23%
Cllr FI Tagaree	FT	MMC Finance and Debt Normalisation	ANC	86%	14%
Cllr B Tsabedze	PT	Public Safety	ANC	86%	14%
Cllr TO Vilakazi	FT	MMC Housing, Land and Rural Development	ANC	82%	18%
Cllr W Wallhorn	PT	Housing, Land Affairs and Rural Development; Finance and Debt Normalisation; Community Health Services	DA	77%	23%
Cllr BJ Williams*	PT	Finance and Debt Normalisation	EFF	73%	27%

* Passed away

** Resigned

*** Replaced Cllr Williams

**** Replaced Cllr Roodt

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Finance Committee	<ul style="list-style-type: none"> ▶ Regulated by the LG: MFMA
Housing, Land Affairs and Rural Development	<ul style="list-style-type: none"> ▶ Building Regulations ▶ Municipal Planning ▶ Pontoons, ferries, jetties, piers and harbours ▶ Billboards and the display of advertisements in public places
Economic Growth and Market	<ul style="list-style-type: none"> ▶ Local Tourism ▶ Markets ▶ Street trading
Community and Health Services	<ul style="list-style-type: none"> ▶ 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 enterprises 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	<ul style="list-style-type: none"> ▶ Sports stadia and recreational activities
Infrastructure	<ul style="list-style-type: none"> ▶ Municipal public works ▶ Storm-water management systems ▶ Water and sanitation services ▶ Fencing and fences ▶ Municipal roads
Public Safety	<ul style="list-style-type: none"> ▶ Firefighting services ▶ Municipal public transport ▶ Trading regulations ▶ Control of public nuisances ▶ Licensing of dogs ▶ Noise pollution ▶ Traffic and parking ▶ Control of enterprises that sell liquor to the public
Electrical Engineering	<ul style="list-style-type: none"> ▶ Electricity and gas reticulation ▶ Street lighting
Corporate Services	<ul style="list-style-type: none"> ▶ Records Management ▶ Legal Services ▶ Communication

Appendices

	<ul style="list-style-type: none"> ▶ 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: <ul style="list-style-type: none"> ▶ 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	<ul style="list-style-type: none"> ▶ Deal with all Transversal Issues in the Office of the Executive Mayor ▶ Administer women, youth, disabled and elderly matters
Anglo Gold Ashanti Committee	<ul style="list-style-type: none"> ▶ 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	<ul style="list-style-type: none"> ▶ To represent Council on the Midvaal Water Companies Management Structure
Orkney Vaal Committee	<p>Recommend to Council to:</p> <ul style="list-style-type: none"> ▶ 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	<ul style="list-style-type: none"> ▶ To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for: <ul style="list-style-type: none"> ▶ 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 has 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	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	Marumo SE
Deputy Director : ICT	Vacant
Deputy Director : Income and Expenditure	Vacant
Deputy Director : Budget and Treasury Office	Vacant
Assistant Manager : Internal Audit	Molelekwa PT
Assistant Director : LED	Khuzwayo MA
Assistant Director : Corporate Communication	Phele ND
Market Master	Vacant
Assistant Director : Water	Vacant
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	Matsaola PO
Assistant Director : Traffic and Security	Vacant
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 : Human Resource Management and Development	Mbotshane AT
Assistant Director : Labour Relations	Sebetlele AJ
Assistant Director : Office of the Speaker	Masibi GKB
Assistant Director : Office of the Whip	Matyana AV
Assistant Director : Expenditure Management	Lethoo JG
Assistant Director : Supply Chain Management	Motileni TB
Assistant Director : Debt Management	Weitsz K
Assistant Director : Revenue Management	Kegakilwe TN
Assistant Director : Budgeting and Planning	Rossouw HS

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
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
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 waste-water and sewage disposal systems	Yes
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 Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 01	CLLR MQIKELA G ANK Mabusa NE Fihla MA Machakela LJM Ntsie MS Modutwane A Mokgothu LM Sepele MR Mokhati DM Seshabela KJ Mokoto	Yes	2	3	1
Ward 02	CLLR MOENG PN MM Mkoma KG Boko DM Nombewu ET Mokobe KC Mokopane BS Sinda NM Madithapa TS Sekutle SP Mokhoethe MI Mogomotsi	Yes	4	5	1
Ward 03	CLLR TAGAREE FI LA Botes MS Otimile CP Le Ray CST Jacobs HJ Holyoake KJ Ditshaba CRR Magardie D Bothma SM Magontse H Jumar	Yes	3	4	1
Ward 04	CLLR BARREND S SOC SL Madito MS Mogapi SR Abrahams NM Sebetlela CR Radebe DM Moseme MT Melamu MA Matlhatsi TM Mogolegeng 1 X Vacant	Yes	6	10	4
Ward 05	CLLR MOLEFI LD MS Motshwaiwa ZM Bonga ME Mokwena N Taunyana MH Gayiya MI Seabi MM Letshabo MN Molapisi GL Motlaliile OB Dihemo	Yes	7	12	5
Ward 06	CLLR MONTEDI SD KA Lekhetho Z Mnisi MP Ntwanngwe M Soldati KS Mabogole KM Soko MJ Kelositswe RS Maluleke SI Mlingwane KI Mahlatsi	Yes	8	12	4
Ward 07	CLLR SAUDI HF OJ Motebe LI Piga TM Phepeng SH Masiu ST Matsetela DE Nkuke VS Mphambaniso MG Harmse 2 X Vacant	Yes	3	8	5

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FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 08	CLLR NTHABA MF DO Maruping KA Nteo WM Goshupeloahg KE Mei TS Matsoso MC Moloi KL Dire PM Sekwati KM Lerefolo OJ Tshwalane	Yes	6	6	-
Ward 09	CLLR NTIANE MJ R Pitso ET Kalaote NE Siwisa M Sizalupheli KV Maropolo TA Hlubi SJ Mothibakgomo HD Mabitse TJ Maarohanye MG Seitshiro	Yes	2	16	14
Ward 10	CLLR MOJAKI ML ZC Bekezulu N Mxaku MM Taunyane MS Banda SM Botlhomo MD Mokae RM Rathabe ML Mokgosi ME Gabaratiwe LN Faku	Yes	4	11	7
Ward 11	CLLR MANGESI MI BM Matladi S Bobelo NA Ngoqoto M Mahoko MM Mogoera JV Dube ES Molaolwa LI Mosime NF Mazule JV Gazi	Yes	5	9	4
Ward 12	CLLR CHAO MM ZJ Nxamgeni SI Mokeki NL Bonde GM Gouws MM Kgare K Gaeje J Makeka TN Qingana LJ Madikwe 1 X Vacant	Yes	4	7	3
Ward 13	CLLR VILAKAZI TO N Mkhontwana FS Mosete AM Rantshonyane SQ Rayi MP Khauwe SM Sebopelo T Mtyhuda SM Parafin NN Seokamo EK Kgajane	Yes	5	11	6
Ward 14	CLLR SEMONYO IM NR Moloto TS Medupe KP Montshonyana MC Nonca MK Seabo KR Thobedi P Makhalanyane JL Molefe MP Tlali 1 X Vacant	Yes	12	25	13

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 Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 15	CLLR SWART PJ PB Moagi DS Baepi DDM Serfontein TJ Marumo CE Scholtz P Smit HM Strydom PJ Celliers NG Brenkman LE Lekoko	Yes	4	7	3
Ward 16	CLLR COMBRINCK A KTR Lenong S Postma KOA Nelson HJP Knoetze SM Maleka TD Sathege PJJ Scheepers JFF Ras SCB Symington OF Sekete	Yes	4	4	-
Ward 17	CLLR POSTMA EM S Foley TC Ntsizi AJ van Tonder JJC Smit F Kasonkomona E Rheeder CJP Steyn HE Strydom S Warren JL Muller	Yes	6	6	-
Ward 18	CLLR SEITISHO MN MM Moeng SL Moroke NN Gaeadingwe J Mathe TA Makhetha TG Kopakae OK Moloi SD Chacha IM Motebang DJ Seeland	Yes	4	8	4
Ward 19	CLLR LE GRANGE JJ MCJ Le Grange A Bester AME Rossouw PF Roux MCJ Scholtz ACJ Visagie HJ Lubbe R Havenga MA Janse van Rensburg BT Fourie	Yes	5	6	5
Ward 20	CLLR KAMATI ME TC Oageng DB Tolomo TS Kunene ND Siwiza KV Mekgwe LR Lomo SK Modiakgotla RT Mohanoe MA Motsiri FL Mahogen	Yes	6	11	5
Ward 21	CLLR NDINCEDE K NB Pinga(Dyobo) S Gasa Z Thwala S Fetman N Mqwebvu NM Mzeku NN Mnqanqeni D Welishi NE Mabindisa G Maswabi	Yes	1	6	5

Appendices

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 22	CLLR SEABENG TS M Sebekedi L Tloti MF Tsoaeli ND Sikwana N Paul PP Leshomo SM Matlale PB Mgoqi KV Tatisi NL Quthu	Yes	7	12	5
Ward 23	CLLR NANI SH LM Motsusi EL Semamola NM Magwaza M Abednigo MI Molelekeng MJ Nyathela LC Ntai P Tjeko V Dlobela KI Mosielele (Majake)	Yes	8	17	9
Ward 24	CLLR MABULELA TM TI Ntsuku ME Mtuze MR Montshing DA Morake SD Bulwane FM Mojanaga AK Moepi JT Mpotle DJ Mhlungu JT Grabie	Yes	10	16	6
Ward 25	CLLR PHAKOE LM KF Letlole GN Tiyo LS Gadinabokawo RM Fusa MA Mpedi MS Botsielo BL Marera TIZV Kraai EN Magagula 1 X Vacant	Yes	7	11	4
Ward 26	CLLR MONGALE SD MT Mafereka HN Gciva SF Hlahaswane S Ntakana BM Johnson VN Gooster MJ Ntekiso JM Ngo MM Moeketsi 1 X Vacant	Yes	2	2	-
Ward 27	CLLR CUTSWA LL MP Mtolo MA Ndonga NI Tshabalala PV Dlamini GS Mdiza NS Thom MM Maloka AS Matebese PB Sedikane 1 X Vacant	Yes	8	18	10
Ward 28	CLLR BESTER CJ MM Tlhatlosi LC Gallent MC Booth NO Marumo JGR Bornman O Taljaard O Thabana ST Kubeka CJ Funnel SB Namola	Yes	6	6	-

Appendices

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 29	CLLR STEYN SM MM Cross TRS Moleme CJ Potgieter PI Baas R van Zyl BV Zikhali MHG Jacobsz J Lethena K Lehela CPS Fourie	Yes	2	2	-
Ward 30	CLLR LOUWRENS WJJ Y Erasmus I Essaney JLM Heuer PN Fibiger PJ Koekemoer AE Meyer WJ Swanepoel CL Fibiger JL Forssman JF Kleynhans	Yes	6	6	-
Ward 31	CLLR MABELI PF MC Wykaart SJ Majiji MM Mathabela MF Sompane PD Koloane JM Ntsie SZ Motsapi 2 X Vacant JN Kgwedieaphuku	Yes	5	10	5
Ward 32	CLLR NTAOPANE NB OE Mokgoro Z Tinga KD Molelekoa NM Funani KL Maletise KL Mokgoro MP Sodlembe M Moletsane KE Modukanele MT le Roux	Yes	4	4	-
Ward 33	CLLR QANKASE J TP Kondlo MD Sereko TJ Lempe KR Latha M Mparwana N Khalipa SI Mazantsana DM Mothupi JT Moroka M Gumata	Yes	2	7	5
Ward 34	CLLR PONISI RK JR Makgale CN Nyathi TI Phalamahashi GB Xolo MM Lekopa PP Lukuleni IM Matlanye ME Zita NN Lethea ML Motete	Yes	2	3	1
Ward 35	CLLR DAEMANE SJ ZJ Ziyane NS Njobe OM Tihomelang AF Mdleleni NS Njobe MD Rabase NS Makhubalo AI Mkathini SM Moletsane TE Msikinya DO Sekhakhane	Yes	4	9	5

Appendices

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speaker's Office on time	Number of quarterly public ward meetings held during year
Ward 36	CLLR LUDIDI NA ST Maetoa SM Maseko RD Mohale MA Chabedi NS Tshabalala MJ Nguye ME Mohale NJ Makoe DS Nteso 1 X Vacant	Yes	5	11	6
Ward 37	CLLR SEKGOTHE TL KS Tsamai MA Letsoku TD Motlathedi MB Sebolao TM Mothibedi DE Tabe BJ Matlapeng MF Tladi GI Mofundlela CM Kgalapa	Yes	1	6	5
Ward 38	CLLR SITHOLE SL JP Masunyane PB Tau MA Lekitlane K Maguba NS Moleleki BA Mahlophe DP Twala CN Ntloko Z Jijingubo VL Masango	Yes	7	13	6
Ward 39	CLLR WALLHORN W JA Botha JH Coetzee AS Diedericks TJ Smith WE Diedericks A de Klerk LSD van Deventer E Cronje T Cilliers I Olivier	Yes	4	4	1

APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER)				
CAPITAL PROJECTS: SEVEN LARGEST IN 2016/17 (FULL LIST AT APPENDIX O)				
				R' 000
N0	Project Name and detail	Start Date	End Date	Total Value
1	Replacement of prepaid meters	2016/07/01	2017/06/30	18 102 550
2	Main storm-water drainage Alabama Phase1	2016/07/01	2017/06/30	6 014 867
3	Upgrade sewer network Khuma Proper North East 21	2016/07/01	2017/06/30	6 830 439
4	Main storm-water drainage Khuma Phase 1	2016/07/01	2017/06/30	7 451 326
5	Upgrade and beautification Jabulani Street	2016/07/01	2017/06/30	11 951 195
6	Water supply Midvaal Endpoint to Jouberton and Alabama	2016/07/01	2017/06/30	14 705 738
7	Spine node and taxi facilities	2016/07/01	2017/06/30	15 449 230

BASIC SERVICE PROVISION 2016/17				
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE
Households with minimum service delivery	168 950	168 483	165 743	165 277
Households without minimum service delivery	1 739	2 206	4 946	5 412
Total Households*	170 689	170 689	170 689	170 689
<i>*Including informal settlements</i>				

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2016/17

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2016/17	RECOMMEN- DATIONS ADOPTED
19 August 2016	That the complete AFS and the finalized annual performance report to be e-mailed to members by midday on Sunday, 28 August 2016.	Adopted
	That a meeting to review the AFS and the Annual performance report be held on Tuesday, 30 August 2016 at 9h30.	Adopted
	That all issues raised/reflected on be included in the final AFS to be presented in the next meeting.	Adopted
	That reports on money spent on consultant working on clean audit programme (GT & Ducharme) as well as other consultants be submitted in the next meeting. Also include the plan for the current financial year (25 MAY 2017) .	Adopted
	That cognizance be taken that the draft performance report will be submitted midday, on Sunday 28 August 2016.	Adopted
	That the AG be requested to also look into the following projects: <ul style="list-style-type: none"> ▶ Regulation 32 ▶ Meter reading ▶ Fuel tender 	Adopted
24 August 2016	Huge amounts need to be removed from miscellaneous items and be placed separately as line items.	Adopted
	That the consultant consults with the management to check the accuracy regarding all vacant positions where there is someone acting (Section 56 managers).	Adopted
14 September 2016	That a report be submitted in the next meeting on quantification of total costs on the Motsemme matter as well as the status of other cases.	Adopted
	That the report on the costs of the litigation between the AG and the Council be submitted in the next meeting.	Adopted
	That the Resolution Register of Council be tabled before the Audit Committee on a quarterly basis.	Adopted
	That the report on the assessment of the Senior Managers be submitted by the MM in the next meeting.	Adopted
	That the business plan regarding the deployment of the Financial Advisor be forwarded to the Internal Audit and be tabled as an item on the next AC meeting.	Adopted
	That as a way forward the Municipal Manager is to submit a Register for Irregular expenditure to Council requesting that a condonation be granted on the above transactions and Section 32 committee processes be invoked on an urgent basis.	Adopted

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS (Continue)		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2016/17	RECOMMENDATIONS ADOPTED
14 September 2016	That the CFO include in the report those items reflected as various rates, an indication of what is the budgeted expenditure for that contract per year.	Adopted
	That the management find ways of dealing with those expired contracts that are extended on a month to month basis so that they do not raise the audit query.	Adopted
	That the CFO submit a short report on the fuel contract regarding the award of the tender, the conditions (wholesale or retail price) and specifications including maintaining of pumps and submit it to AC within seven days.	Adopted
	That a short report on appointment of NEP Consulting on regulation 36 (PPP basis) be submitted in the next meeting.	Adopted
	That Internal Audit prepare a report on stationery of at least 2 or 3 different suppliers compared with the appointed service provider and submit it in the next AC meeting.	Adopted
	That the report on the status of the CAE be submitted to the AC by Municipal Manager in the next three days.	Adopted
	Acting CAE to revise the 2016/17 annual plan and submit it in the next meeting.	Adopted
	That cognizance be taken that the assessment for both IA and the AC is not done yet.	Adopted
	That the AC assist with the development of internal audit competency framework and ACAE to follow up on the approval of IA methodology or be submitted in the next AC meeting for approval.	Adopted
25 November 2016	That the Municipal Manager provide progress report regarding the status of the SCM in the next Audit Committee meeting.	Adopted
	That Provincial support be a standing item on the Audit Committee Agenda.	Adopted
	That the CFO forward the detailed report to the AC members regarding the break-down of R34 million on main items of general expenses incurred.	Adopted
	That cognizance be taken that the report on Irregular expenditure to be submitted before the next AC meeting.	Adopted
	IA busy with follow-up on sale of land and submit a comprehensive report in the next meeting.	Adopted
	An e-mail from Department of Water and Sanitation (DWS), requesting outstanding issues was received in the previous month: <ul style="list-style-type: none"> ▶ Designs and drawings of the plant ▶ Piping system ▶ Underground water conditions ▶ Distance of boreholes from the main plant. 	Adopted
	That the approval of the water treatment licences be received before the end of financial year.	Adopted

Appendices

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS (Continue)		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2016/17	RECOMMENDATIONS ADOPTED
9 March 2017	That report outlining capacity constraints regarding resources be forwarded to the MM's office.	Adopted
	That regular meetings be held between management and IA to follow-up on outstanding findings and improvements be reported to the AC.	Adopted
	That the IA audit should also meet with individual directorates to provide more clarity regarding the findings/queries.	Adopted
	That the updated internal audit findings register be forwarded to the management and MM to track implementation.	Adopted
	That the contract management be the standing item in top management meetings as part of monitoring the implementation thereof.	Adopted
	That a report to be compiled should focus more on rental stock and also provide benefit cost analysis whether the municipality is benefiting from these rental stock or not.	Adopted
	That the Housing unit has to engage with the Finance department and compile a report on housing rentals to be submitted before the next AC meeting	Adopted
	That in terms of reporting line, financial and performance reports must be submitted to IA for quality assurance and thereafter IA forward them to AC to be noted.	Adopted
	That cognizance be taken that the investigation by the Hawks unit is at and advanced stage.	Adopted
25 May 2017	That management develop a list of all policies, detailing last review and frequency of review.	Adopted
	That an updated report addressing challenges in terms of leave management be submitted in the next meeting.	Adopted
	That any amendments made regarding leave management be communicated to the employees.	Adopted
	At the time of insurance review date, ensure that there is an updated fixed assets register that should be reconcile to the insurance portfolio.	Adopted
	That a task team be established to monitor and coordinate the transfer of data before the 1 st of July 2017.	Adopted
	Also report detailing what Eskom is billing municipality and what municipality is billing the consumers during winter and summer (cost vs pricing report).	Adopted
	That the updated report on Eskom account be submitted at the next meeting.	Adopted
	That comprehensive reports on the appointment through deviations of the Strategic planning service provider and the product be submitted in the next meeting.	Adopted
	That comprehensive reports on the appointment of service provider through deviations of the Security services be submitted in the next meeting.	Adopted

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS (Continue)		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2016/17	RECOMMENDATIONS ADOPTED
25 May 2017	A report on the appointment of service provider through deviations to provide an induction of wards committee members will be submitted in the next meeting.	Adopted
	That Acting Director Corporate Services to seek clarity on the following cases and submit report in the next meeting. <ul style="list-style-type: none"> ▶ City of Matlosana / Bonang Trading and Development - the matter was successfully defended and why it is still in the report. ▶ Matlosana City Council // Munmap (Pty) Ltd maximum profit recovery (Pty) Ltd (undue enrichment matter) – Progress on the recovery of funds. 	Adopted
	Comprehensive contingent liability report will be submitted in the next meeting.	Adopted
	A report on IT audit performed by the service report will be submitted in the next meeting.	Adopted
	That MPAC be consulted where there is reluctance on the management side in terms of implementing recommendations prescribed by IA.	Adopted
	That the Internal Audit charter be approved subject to corrections being implemented.	Adopted
	That the municipality to develop a plan that includes status quo of the over-all performance of personnel and further, through consultation with SALGA, determines how to develop and cascade the performance system to all levels of employees.	Adopted
	That the competency framework item be placed on the MM's report for him to report on the performance and a progress report be submitted in the next meeting.	Adopted
	That the Audit Committee Charter be approved subject to corrections indicated and also include a clause indicating that payments to AC members be done within seven days after the meeting.	Adopted
	That the Audit Committee schedule of meetings be approved with inclusion of dates of reporting to Council.	Adopted
	That the progress report on completion of Risk Strategy by the service provider be submitted by Thursday, 6 July 2017.	Adopted
29 June 2017	That MPAC be consulted where there is reluctance on the management side in terms of implementing recommendations prescribed by IA.	Adopted
	That the municipality to develop a plan that includes status quo of the over-all performance of personnel and further, through consultation with SALGA, determines how to develop and cascade the performance system to all levels of employees.	Adopted
	That in the meantime, the Internal Audit to initiate the plan of competency framework for own development and submit in the next meeting.	Adopted
	That the progress report on completion of Risk Strategy by the service provider be submitted by Thursday, 6 July 2017. That the Audit Readiness plan be shared with Audit Committee	Adopted

APPENDIX H – LONG TERM CONTRACTS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2016/17)				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
Midvaal Water Company (1954/002224/08)	Bulk water supply	01 September 2016	30 August 2021	Water Section
African Meter Reading / Macjun Trading JV and Sealampes Business Enterprise	To provide automated meter reading services and other meter related services	01 May 2016	01 May 2018	Finance Service
Gobonolo Projects	Vending machine	18 August 2016	17 August 2019	Corporate Services
Bukamoso Service and Projects (Pty) Ltd	Supply of paraffin stoves and lanterns as and when required for a period of 24 (twenty-four) months	07 July 2016	06 July 2018	Finance
Future Phambili Petroleum (Pty) Ltd	Supply, storage and delivery paraffin as and when required for a period of 24 (twenty-four) months	03 November 2016	03 November 2018	Finance
Gautemi Communications	Advertising at the local taxi rank: Stilfontein (Khuma), Orkney (Kanana) and Hartebeestfontein (Tigane)	06 October 2016	06 October 2021	Communications
Mosire Tsiane Attorneys	To assist the com in tender conflict resolution, analysis and scrutinising the auditor's report and in implementing recommendations of MPAC, audit committee and auditor general	18 April 2017	17 April 2020	MM
Panel of Attorneys 1. Lourens, Bezuidenhout Inc. Attorneys 2. Oosthuisen Du Plooy Attorneys 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 Attorneys 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 three years as and when required	04 January 2016	04 January 2019	Corporate Service

Appendices

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2016/17) Cont.

Name of service provider	Description of services rendered by the service provider	Start Date of Contract	Expiry date of Contract	Project Manager
Appointment of Service Provider (Training) 1.Jobafrika Consulting (Pty) 2.Tshepang Lentswe Consulting and Projects 3.Aobokoae-Thuto Management Solutions (Pty) Ltd 4. Ukwakhile Projects (Pty) Ltd 5.Ditseko Training Development Services 6.Lunk Construction and Maintenance Enterprise CC 7.Mbuso Management Solutions (Pty) Ltd 8.Tshireletso Mutli Skills and Training (Pty) Ltd 9.LNT Trading Enterprise 10.Motlhompegi Skills Academy 11.Khosithini Training Institute 12.Corporate Skills Development 15.Altimax (Pty) Ltd 16.Institute for Sustainable Risk Management 17. Elective Training Institute	Appointment of service provider for a period of three years	01 February 2016	01 February 2019	Corporate Services

NOT APPLICABLE

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 201 TO 30 JUNE OF 2017		
Position	Name	Description of Financial interests* (Nil / Or details)
Executive Mayor	Cllr ME Kgaile	My 2 and Son's Trading and Projects (Pty) Ltd – 100 %
Speaker of Council	Cllr RW Ntozini	Nomdimba and Tutuse Road Construction - 100% Alpha Built Consulting – 33.3% KRM Construction – 50% Nomdimba Mineral Resources – 33.3%
Single Whip of Council	Cllr MV Chinga	Emang Sechaba Enterprise Pty (Ltd) – Director NWMF
Corporate Services	Cllr ML Mojaki	Nil
Transversal Issues	Cllr NI Matetoane	Nil
Housing, Land and Rural Development	Cllr TO Vilakazi	Yimani Bafazi Trading Pty Ltd – 31%
Sport, Arts and Culture	Cllr PF Mabeli	Nil
Finance and Debt Normalization	Cllr FI Tagaree	Nil
Economic Growth and Market	Cllr TG Khoza	Nil
Public Safety	Cllr SJ Daemane	J Cliff – 33% Mokasisipho – 25%
Community and Health Services	Cllr NS Mandela	Membotla Projects – 50% Sunken Construction – 50% Member of the MCPF
Infrastructure and Utilities	Cllr M Nthaba	Nil
Electrical and Mechanical Engineering	Cllr SD Montoedi	Kgothammoho Agric Close Corporation Member of the MCPF
Chairperson of MPAC	Cllr SPJ Bogatsu	Member of the MCPF
PR Councillor	Babuile M	Nil
Ward Councillor W4	Barrends SOC	Ya Rona Karona Trading Enterprise LTD PTY -100%
Ward Councillor W28	Bester CJ	Nil
PR Councillor	Botman MT	Thambo Botman Attorneys – Owner - ±R15 000.00
PR Councillor	Burrell PZM	Chartered Property Empire – Estate Agent– Strictly Commission GEPE Widows Pension
Ward Councillor W12	Chao MM	Lulucha Pty Ltd – 100%
Ward Councillor W27	Cutswa LL	Member of the MCPF
PR Councillor	Coetzee M	Philip Coetzee Familietrust Member of the MCPF
Ward Councillor W16	Combrinck A	Anumelmig Vullisverwydering CC – 50% Oraculan 154 CC – 50% Member of the MCPF

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2016 TO 30 JUNE OF 2017 (Continue)		
Position	Name	Description of financial interests* (Nil /or details)
PR Councillor	Cromhout CLJ	Wholesale Manager at Daly Wholesale - ±R456 000.00 Member of the MIBCO Pension Fund
Ward Councillor W35	Daemane SJ	J Cliff – 33% Mokasisipho – 25%
PR Councillor	Hlekiso PA	Nil
PR Councillor	Groenewald IM	MG Development (Pty) Ltd – 100% Alt Director Midvaal Water Company Member of the MCPF
PR Councillor	Horn PT	Member of the Sentinel Fund
Ward Councillor W20	Kamati EM	Nil
PR Councillor	Kali KB	Dogs of the Road Cabs (Taxi Industry) Close Corporation
PR Councillor	Khoza L	Nil
PR Councillor	Koekemoer M	Nil
PR Councillor	Kleynhans EL	SA Imuno Foods (Pty) Ltd – 100% Trisean Enterprises Close Corporation (de-registered)
PR Councillor	Kortjas LM	Member of the MCPF
Ward Councillor W30	Louwrens WJ	Member of SALGA-Matlosana Municipality
Ward Councillor W36	Ludidi NA	Nil
Ward Councillor W19	Le Grange JJ	Mitchell & Le Grange Property – 40% Mitchell & Le Grange Property – 50% JJ Le Grange Financial Services – Accounting Member of the MCPF
Ward Councillor W31	Mabeli PF	Nil
Ward Councillor W24	Mabulela TM	Nil
PR Councillor	Matetoane IN	Nil
Ward Councillor W10	Mojaki ML	Nil
PR Councillor	Mohoemang GA	Southern North Trading Enterprise – 25% Member of the MCPF
PR Councillor	Mahlangu MC	Nil
PR Councillor	Mendela NS	Membotla Project – 50% - Co-Director Sunken Construction – 50% - Co-Director Member of the MCPF
PR Councillor	Malete NG	Member of the MCPF
PR Councillor	Mosweu ME	Close Corporation – Mosweu Catering and Transport Services (Pty) Ltd
PR Councillor	Methi LH	Nil
PR Councillor	Magwaca PC	Nil
PR Councillor	Mondlane SL	Multi-Phase Pty (Ltd) – 50%
Ward Councillor W1	Mqikela G	Nil
Ward Councillor W26	Mongale SD	Nil
PR Councillor	Moloko L	Tsa Bokone Trading & Projects (Pty) Ltd – 100%
Ward Councillor W2	Moeng PN	Close Corporation – Titanic Funeral Services – 50%
PR Councillor	Molutsi PM	Member of the MCPF
Ward Councillor W9	Ntiane MJ	Nil

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2016 TO 30 JUNE OF 2017 (Continue)		
Position	Name	Description of Financial interests* (Nil / Or details)
Ward Councillor W20	Ndincede K	Nil
PR Councillor	Nongqayi S	Nil
PR Councillor	Moremi SL	Nil
Ward Councillor W5	Molefi LD	Daniel M Consulting (Pty) Ltd – 100% Wood Kings Enterprise – 100%
Ward Councillor W26	Mongale SD	Nil
PR Councillor	Moloko L	Tsa Bokone Trading & Projects (Pty) Ltd – 100%
Ward Councillor W2	Moeng PN	Close Corporation – Titanic Funeral Services – 50%
PR Councillor	Molutsi PM	Member of the MCPF
Ward Councillor W9	Ntiane MJ	Nil
Ward Councillor W20	Ndincede K	Nil
Ward Councillor W23	Nani SH	Nil
Ward Councillor W32	Ntaopane NB	Aganang (Pty) Ltd – 60% Vry Ntaoza – 20%
PR Councillor	Oosthuizen G C	Nil
Ward Councillor W25	Phakoe L M	Member of the MCPF
Ward Councillor W34	Ponisi R K	CEO – HCP Construction
Ward Councillor W17	Postma E M	Nil
Ward Councillor W33	Qankase J	Close Corporation-Local Harvester Primary Corp-20%
PR Councillor	Ross K L	Nil
Ward Councillor W7	Saudi H F	Nil
Ward Councillor W37	Sekgothe T L	Nil
Ward Councillor W18	Seitisho M N	Member of the MCPF
Ward Councillor W14	Semonyo I M	Nil
PR Councillor	Sesana S P	Nil
Ward Councillor W22	Seabeng T S	Nil
Ward Councillor W15	Swart P J	Member of the Glacier Sanlam
PR Councillor	Shuping L K	Nil
Ward Councillor W29	Steyn S M	Member of the GEPP
Ward Councillor W38	Sithole S L	Nil
Ward Councillor W3	Tagaree F I	Nil
PR Councillor	Tsabedze B	Ngamoba Trading Enterprise (Pty) Ltd – 33%
Ward Councillor W13	Vilakazi T O	Member of the MUNIC Foster Care Grant
Ward Councillor W39	Wallhorn W	Employment and Remuneration: Servest Landscaping – R31 000.00
Municipal Manager	Nkhumise TSR	MTN Phuthuma – R20 000; Bakone Family Trust; Nkhura Property Developers – R10 500; Bakone Guest House – R10 000; House Thabazimbi – R650 000 & 750 000; House Modimolle – R900 000 & R1 900 000; House Pretoria – R554 000
Chief Financial Officer	Ramorwesi MKG	Baile Violet Trust; House iFafi – R1 800 000; House Rustenburg – R500 000 & R500 000; House Thlabane West – R600 000

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote description	R' 000					
	2015/16	2016/17			2016/17 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
1.1 - Executive and Council	2 066	3 286	3 286	527	5.24	5.24
1.2 - Budget and Treasury Office	802 369	515 074	539 256	791 542	-0.35	-0.32
1.3 - Corporate Services	873	4 523	4 583	273	15.57	15.79
2.1 – Roads	4 789	53 457	111 806	6 190	7.64	17.06
2.2 – Water	438 233	637 712	622 594	498 002	0.28	0.25
2.3 - Sewer	98 206	180 831	143 645	119 925	0.51	0.20
2.4 - Electricity	675 098	889 148	908 089	711 135	0.25	0.28
2.5 - Housing	2 131	2 166	2 166	557	2.89	2.89
3.1 – LED	1	6	6	21 004	-	-
3.2 - Market	18 204	47 174	19 981	18 854	1.50	0.06
4.1 - Community and Environmental Services	4 501	6 024	4 984	1 528	2.94	2.26
4.2 - Sport and Recreation	1 409	5 760	2 238	2 506	1.30	-0.11
4.3 - Public Safety	82 033	89 245	96 180	83 846	0.06	0.15
4.4 – Health	44	318	318	97	2.28	2.28
4.5 – Cleaning	135 160	214 066	214 086	146 555	0.46	0.46
TOTAL REVENUE BY VOTE	2 265 117	2 648 790	2 673 218	2 402 541	40.56	46.48

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE						
Description	R '000					
	2015/16	2016/17			2016/17 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Property rates	272 707	317 223	338 663	265 941	-19%	-27%
Property rates - penalties and collection charges						
Service charges - electricity revenue	661 692	801 493	802 927	699 088	-15%	-15%
Service charges - water revenue	433 535	492 182	492 182	465 049	-6%	-6%
Service charges - sanitation revenue	91 496	106 575	106 575	98 707	-8%	-8%
Service charges - refuse revenue	122 543	149 572	149 582	126 282	-18%	-18%
Service charges - other		26 600	29 408	16 616	-60%	-77%
Rentals of facilities and equipment	4 579	6 615	6 934	5 137	-29%	-35%
Interest earned – ext. investments	6 912	2 108	2 108	8 358	75%	75%
Interest earned - outstanding debtors	131 569	106 208	108 765	162 109	34%	33%
Dividends received		–	–	–	0%	0%
Fines	13 573	7 102	7 086	10 505	32%	33%
Licences and permits	6 615	7 708	7 701	7 107	-8%	-8%
Agency services			–	–	0%	0%
Transfers recognised - operational	443 317	351 271	351 271	477 693	26%	26%
Other revenue	76 577	139 516	147 369	59 946	-133%	-146%
Gains on disposal of PPE		–	–	–	0%	0%
Environmental Protection		–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	2 265 115	2 514 173	2 550 572	2 402 540	-4.65%	-6.16%

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2016/17						
R' 000						
Details	Budget	Adjusted	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments	
Neighbourhood Development Partnership Grant	26 987	35 325	35 325	-0.24	-	Radiating spatial inequality towards the creation of liveable, sustainable, resilient, efficient and integrated towns and cities
Other (specify):						
Sport & Recreation	1 000	1 350	1 100	-0.09	0.23	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders
INEP	5 000	16 800	10 800	-0.54	0.56	To reduce the backlogs of un-electrified households and to fund infrastructure to ensure constant supply of electricity
MSIG	-	-	-	-	-	To promote the improvement of municipal administration systems.
EPWP Incentive	3 028	3 028	1 656	0.83	0.83	To provide funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
FMG	1 675	1 658	1 810	-0.07	(0.08)	To promote and support financial management reform by building capacity in municipalities to implement the Municipal Finance Management Act
TOTAL	37 690	58 161	50 691	(0.26)	0.15	

COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

No conditional grants were received from other sources than the DORA.

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE / RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*							
							R '000
Description	2015/16	2016/17			Planned Capital Expenditure		
	Actual	Original	Adjusted	Actual	2017/18	2018/19	2019/20
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	99 857	129 316	160 456	148 325	111 293	114 930	
Infrastructure: Road transport - Total	45 274	46 170	68 150	53 684	47 767	52 670	
<i>Roads, pavements and bridges</i>	45 274	46 169	68 150	53 684	47 766	52 670	
Infrastructure: Electricity – Total	10 619	23 400	54 361	54 361	21 000	16 206	
<i>Transmission and reticulation</i>	10 619	23 400	54 361	54 361	21 000	16 206	
Infrastructure: Water - Total	18 903	17 936	30 464	21 345	24 027	25 885	
<i>Reticulation</i>	18 903	17 936	30 464	21 345	24 027	25 885	
Infrastructure: Sanitation - Total	25 061	37 186	17 308	15 382	18 500	20 169	
<i>Sewerage purification</i>	25 061	37 186	17 308	15 382	18 500	20 169	
Infrastructure: Other - Total	–	4 624	4 624	4 212	–	–	–
<i>Other</i>	–	4 624	4 624	4 212	–	–	–
<u>Community – Total</u>	13 086	15 300	13 485	18 124	12 022	10 435	
<i>Sports fields and stadia</i>	3 643	5 300	5 300	8 083	12 022	10 435	
<i>Fire, safety and emergency</i>	2 379			29 200	–	–	–
<i>Cemeteries</i>	0	700	700	685	–	–	–
<i>Other</i>	7 063	9 300	7 486	9 326			
Total Capital Expenditure on new assets	12 943	144 616	173 941	170 661	128 141	130 148	

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME*							
R '000							
Description	2015/16	2016/17		Planned Capital Expenditure			
	Actual	Original	Adjusted	Actual	2017/18	2018/19	2019/20
Capital expenditure by Asset Class							
<u>Infrastructure - Total</u>	33 481	–	32 642	29 800			
Infrastructure: Road transport -Total	10 270	–	–	–	–	–	–
<i>Roads, pavements and bridges</i>	10 270	–	–	–	–	–	–
<i>Electricity - Total</i>	427	–	1 324	875	–	–	–
<i>Generation</i>	427	–	1 324	875	–	–	–
<i>Water - Total</i>	13 539	–	8 086	6 820	–	–	–
<i>Reticulation</i>	13 539	–	8 086	6 820	–	–	–
<i>Sanitation - Total</i>	9 245	–	23 232	22 105	–	–	–
<i>Sewerage purification</i>	9 245	–	23 232	22 105	–	–	–
<u>Community – Total</u>	10	–	–	–	–	–	–
<i>Swimming pools</i>	10	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	33 491	–	32 642	29 800			

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2016/17

CAPITAL PROGRAMME BY PROJECT: 2016/17					
					R' 000
Capital Project	Original	Adjustment	Actual	Variance (Act – Adj.) %	Variance (Act - OB) %
WATER					
Water supply Midvaal Endpoint to Jbt and Alabama	6 756	16 768	14 706	-14%	54%
SANITATION / SEWERAGE					
Upgrade sewer net Khuma Proper Ne 21	12 022	7 794	6 830	-14%	-76%
ELECTRICITY					
Replacement of pre-paid meters	35 000	35 000	18 103	-93%	-93%
ROADS AND STORM- WATER DRAINAGE					
Spine node and taxi facilities	7 852	14 321	15 449	7%	49%
Main storm-water drainage Alabama Phase1	6 274	6 857	6 015	-14%	-4%
Main storm-water drainage Khuma Phase 1	7 000	8 495	7 451	-14%	6%
ECONOMIC DEVELOPMENT					
Upgrade and beautification Jabulani Street	12 500	13 664	11 951	-14%	-5%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2016/17

CAPITAL PROGRAMME BY PROJECT BY WARD: 2016/17		
		R'000
Capital Projects	Ward(s) affected	Works completed (Yes/No)
Water		
Water Supply Midvaal Endpoint to Jouberton and Alabama	3 to 5 and 8	No
Sanitation / Sewer		
Upgrade sewer network at Khuma property	34 and 35	No
Electricity		
Replacement of pre-paid meters in Matlosana area	1 to 39	Yes
Roads and storm-water drainage		
Main storm-water drainage Alabama (Phase 1)	3	Yes
Main storm-water drainage Khuma (Phase 1)	34	Yes
Local Economic Development		
Upgrade and beautification of Jabulani Street	8; 10 and 37	Yes

ALL SCHOOLS ARE 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

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
MATLOSANA	:	Klerksdorp, Orkney, Stilfontein and Hartbeesfontein
KPA	:	Key Performance Areas
KPI	:	Key Performance Indicators
LED	:	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

Annual Financial Statements

Volume II Annual Financial Statements, for the year ended June 30, 2017



City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

General Information

Nature of business and principal activities	<p>To within its financial and administrative capacity :</p> <ul style="list-style-type: none">-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 encourage the involvement of the community and community organisations in the matters of the municipality. <p>Legislation governing the operations of the municipality includes but are not limited to the following:</p> <ul style="list-style-type: none">-The Constitution of the Republic of South Africa, 1996 and specifically Chapter 7-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	M.E Kgaile
Speaker	R.W Ntozini
Councillors	<p>M.V Chinga (Chief Whip)</p> <p>M.F Nthaba.</p> <p>T.O Vilakazi.</p> <p>T.G Khoza.</p> <p>F.I Tagaree.</p> <p>M.L Mojaki.</p> <p>S.D Montoedi.</p> <p>N.S Mendela.</p> <p>N.I Matetoane.</p> <p>P.F Mabeli.</p> <p>S.J Daemane.</p>
Accounting Officer	T.S.R Nkhumise.
Chief Finance Officer (CFO)	M.K.G Ramorwesi.
Registered office	<p>Bram Fischer Street</p> <p>Klerksdorp</p> <p>2571</p>
Business address	<p>Bram Fischer Street</p> <p>Klerksdorp</p> <p>2571</p>
Postal address	<p>P.O. Box 99</p> <p>Klerksdorp</p> <p>2570</p>
Bankers	ABSA Bank Ltd
Auditors	<p>Auditor General</p> <p>Chartered Accountants (S.A.)</p>

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Index

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

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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)

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 were 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 places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements are still subject to audit.

The annual financial statements set out on pages 327 to 385, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed by:



Accounting Officer
TSR Nkhumise

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets			
Inventories	8	38 057 066	35 275 440
Receivables from exchange transactions	9	15 852 420	31 798 068
Receivables from non-exchange transactions	10	997 886	-
VAT receivable	11	43 146 756	14 996 622
Consumer debtors	12	285 321 220	249 389 554
Other receivables	7	24 987	24 987
Cash and cash equivalents	13	90 532 317	25 568 909
		473 932 652	357 053 580
Non-Current Assets			
Investment property	2	98 247 557	105 306 070
Property, plant and equipment	3	5 390 358 943	5 659 598 452
Intangible assets	4	4 578 555	4 578 555
Heritage assets	5	11 462 382	11 462 382
Other financial assets	6	30 059 029	27 692 322
Security Deposit paid to Eskom		15 000 002	15 000 000
Other receivables	7	112 477	147 640
Nature reserve - Wild stock		1 599 112	2 554 281
		5 551 418 057	5 826 339 702
Total Assets		6 025 350 709	6 183 393 282
Liabilities			
Current Liabilities			
Other financial liabilities	14	13 109 542	13 109 542
Payables from exchange transactions	17	722 572 537	544 856 816
Unspent conditional grants and receipts	15	8 586 956	10 748 455
Provisions	16	13 332 343	12 546 570
Consumer deposits	18	24 124 748	29 309 017
National Treasury Liability		-	16 596
		781 726 126	610 586 996
Non-Current Liabilities			
Other financial liabilities	14	88 158 572	102 720 212
Provisions	16	246 277 700	253 637 219
		334 436 272	356 357 431
Total Liabilities		1 116 162 398	966 944 427
Net Assets		4 909 188 311	5 216 448 855
Net Assets			
Accumulated surplus		4 909 188 311	5 216 448 855

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Service charges	21	1 389 127 035	1 311 585 378
Rendering of services		13 541	3 701
Rental of facilities and equipment		5 137 430	4 579 207
Licences and permits		7 107 165	5 717 316
Miscellaneous other revenue		8 339	4 197
Commissions received		10 717 594	10 370 251
Royalties received		1 753 619	2 338 097
Rental income		273 955	295 481
Discount received		627 965	638 644
Recoveries		9 902 031	2 113 123
Other income		14 321 889	14 164 825
Donation of property		20 836 637	25 772 055
Interest received	28	170 467 245	138 480 734
Property rates	20	265 941 408	272 706 788
Government grants and subsidies	22	477 693 095	446 574 019
Levies		1 490 257	1 410 620
Fines		10 505 354	13 573 269
Market dues		16 616 277	16 064 180
Total revenue		2 402 540 836	2 266 391 885
Expenditure			
Employee related costs	25	(530 451 714)	(489 414 758)
Remuneration of councillors	26	(28 398 076)	(23 981 844)
Depreciation and amortisation	29	(410 555 939)	(427 744 133)
Finance costs	30	(43 954 964)	(33 862 799)
Lease rentals on operating lease		(28 889 458)	(12 256 399)
Debt impairment	27	(543 458 552)	(480 063 289)
Repairs and maintenance		(68 240 419)	(50 600 975)
Bulk purchases	33	(775 219 428)	(759 344 771)
Contracted services	32	(35 801 781)	(32 055 317)
General expenses	24	(244 831 015)	(211 342 507)
Total expenditure		(2 709 801 346)	(2 520 666 792)
Operating deficit		(307 260 510)	(254 274 907)
Deficit for the year		(307 260 510)	(254 274 907)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	5 321 300 006	5 321 300 006
Adjustments		
Prior year adjustments	149 423 755	149 423 755
Balance at 01 July 2015 as restated*	5 470 723 761	5 470 723 761
Changes in net assets		
Deficit for the year	(254 274 906)	(254 274 906)
Total changes	(254 274 906)	(254 274 906)
Balance at 01 July 2016	5 216 448 822	5 216 448 822
Changes in net assets		
Deficit for the year	(307 260 511)	(307 260 511)
Total changes	(307 260 511)	(307 260 511)
Balance at 30 June 2017	4 909 188 311	4 909 188 311
Note(s)		

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 075 678 225	1 073 930 344
Grants		475 531 596	443 255 405
Interest income		170 467 245	138 480 734
VAT received		-	13 606 470
Other receipts		84 229 101	50 225 315
		<u>1 805 906 167</u>	<u>1 719 498 268</u>
Payments			
Employee costs		(556 219 853)	(527 150 151)
Suppliers		(944 436 224)	(1 064 745 645)
Finance costs		(43 954 964)	(33 862 799)
VAT paid		(28 150 134)	-
		<u>(1 572 761 175)</u>	<u>(1 625 758 595)</u>
Net cash flows from operating activities	34	<u>233 144 992</u>	<u>93 739 673</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(149 824 458)	(88 458 210)
Purchase of investment property	2	(225 000)	-
Proceeds from sale of investment property	2	3 997 088	17 830 596
Purchase of other intangible assets	4	-	(3 815 451)
Purchases of heritage assets	5	-	(6 300)
Net movement of financial assets		(2 366 707)	(1 895 357)
Increase in deposits paid to Eskom		(2)	(15 000 000)
Purchase of nature reserve - wild stock		-	(594 715)
Net cash flows from investing activities		<u>(148 419 079)</u>	<u>(91 939 437)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(14 561 640)	(13 109 542)
Movement in consumer deposits		(5 184 269)	6 361 600
Repayment of liability to National Treasury		(16 596)	16 596
Net cash flows from financing activities		<u>(19 762 505)</u>	<u>(6 731 346)</u>
Net increase/(decrease) in cash and cash equivalents		64 963 408	(4 931 110)
Cash and cash equivalents at the beginning of the year		25 568 909	30 500 019
Cash and cash equivalents at the end of the year	13	<u>90 532 317</u>	<u>25 568 909</u>

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1 428 351 396	78 956 413	1 507 307 809	1 389 127 035	(118 180 774)	The expected revenue from services did not meet the projected targets due to economic and environmental conditions
Rendering of services	211 800	-	211 800	13 541	(198 259)	
Rental of facilities and equipment	6 150 986	320 590	6 471 576	5 137 430	(1 334 146)	
Licences and permits	7 512 621	(8 459 854)	(947 233)	7 107 165	8 054 398	
Miscellaneous other revenue	233 960	(40 060)	193 900	8 339	(185 561)	
Commissions received	9 835 294	-	9 835 294	10 717 594	882 300	
Royalties received	1 275 600	-	1 275 600	1 753 619	478 019	
Rental income	445 344	-	445 344	273 955	(171 389)	
Discount received	590 894	(113 583)	477 311	627 965	150 654	
Recoveries	2 500	-	2 500	9 902 031	9 899 531	
Other income	45 806 784	(33 780)	45 773 004	14 321 889	(31 451 115)	Budgeted revenue on reconnections did not materialise
Donations received	-	-	-	20 836 637	20 836 637	Donation of stands in Kanana from the Mine, donations are not budgeted for
Interest received - investment	108 315 762	2 557 570	110 873 332	170 467 245	59 593 913	Interest on arrear accounts exceeded the budgeted amount due to debtors book growth
Total revenue from exchange transactions	1 608 732 941	73 187 296	1 681 920 237	1 630 294 445	(51 625 792)	

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	317 222 791	20 870 329	338 093 120	265 941 408	(72 151 712)	There was an anticipated revenue enhancement initiatives taken by council, they did not however materialise.
Transfer revenue						
Government grants and subsidies	485 887 000	(11 969 900)	473 917 100	477 693 095	3 775 995	There was no budget allocated for the operating revenue recognised for grant funded capital expenditure
Levies	1 784 838	-	1 784 838	1 490 257	(294 581)	
Fines	7 041 983	(15 885)	7 026 098	10 505 354	3 479 256	
Market dues	17 000 000	-	17 000 000	16 616 277	(383 723)	
Total revenue from non-exchange transactions	828 936 612	8 884 544	837 821 156	772 246 391	(65 574 765)	
Total revenue	2 437 669 553	82 071 840	2 519 741 393	2 402 540 836	(117 200 557)	
Expenditure						
Personnel	(521 908 498)	(31 768 970)	(553 677 468)	(530 451 714)	23 225 754	Not all vacancies, that were budgeted for, were filled
Remuneration of councillors	(25 138 051)	(6 229 943)	(31 367 994)	(28 398 076)	2 969 918	
Depreciation and amortisation	(476 729 783)	(158 224)	(476 888 007)	(410 555 939)	66 332 068	Assets journals still to be finalized
Finance costs	(14 169 181)	(14 935 062)	(29 104 243)	(43 954 964)	(14 850 721)	Bulk purchases accounts in arrears attract interest that are not budgeted for
Lease rentals on operating lease	(23 038 250)	(7 371 262)	(30 409 512)	(28 889 458)	1 520 054	

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Bad debts written off	(367 522 590)	-	(367 522 590)	(543 458 552)	(175 935 962)	The debtors book increased at a rate higher than expected and consequently impairment of debtors was under budgeted
	(86 661 475)	(470 019)	(87 131 494)	(68 240 419)	18 891 075	
Repairs and maintenance	(811 802 286)	-	(811 802 286)	(775 219 428)	36 582 858	Further cost containment resulted in lower expenditure
						The budget is calculated on estimates and the actuals are demand driven and influenced by the economic and environmental conditions
Bulk purchases	(46 447 745)	(100 000)	(46 547 745)	(35 801 781)	10 745 964	Connecting/disconnecting services overbudgeted for
Contracted Services	(234 418 377)	(31 083 781)	(265 502 158)	(244 831 015)	20 671 143	
						Further cost containment resulted in lower expenditure
General Expenses						
Total expenditure	(2 607 836 236)	(92 117 261)	(2 699 953 497)	(2 709 801 346)	(9 847 849)	
Deficit before taxation	(170 166 683)	(10 045 421)	(180 212 104)	(307 260 510)	(127 048 406)	
Deficit for the year from continuing operations	(170 166 683)	(10 045 421)	(180 212 104)	(307 260 510)	(127 048 406)	
	(144 615 900)	(29 325 331)	(173 941 231)	(142 247 996)	31 693 235	Mainly contributed to own funded projects that is not yet completed
Capital Expenditure						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative	(314 782 583)	(39 370 752)	(354 153 335)	(449 508 506)	(95 355 171)	

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

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, is 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.

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 are 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.

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 bringing 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, its 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

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.

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.

Accounting Policies

1.7 Intangible assets (continued)

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.

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 assesses 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.

Derecognition

The municipality derecognises a heritage asset 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.

Accounting Policies

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.

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-for-sale.

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 uncollectable, 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.

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.

Accounting Policies

1.9 Financial instruments (continued)

Derecognition

Financial assets

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.

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 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 for 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.

Accounting Policies

1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.14 Employee benefits

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.

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.

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 36.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, 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

Accounting Policies

1.16 Commitments (continued)

- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

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.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

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 is 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;

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

- 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.

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, whichever is earlier.

When government remits 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 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 Comparative figures

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

1.22 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.

Accounting Policies

1.23 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.

1.24 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.

1.25 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.

1.26 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.

1.27 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.

1.28 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.

1.29 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.29 Segmental information (continued)

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.30 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.

1.31 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.32 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 is not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

1.33 Going concern

These annual financial statements have been prepared on a going concern basis.

1.34 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.35 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 the 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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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2. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	98 247 557	-	98 247 557	105 306 070	-	105 306 070

Reconciliation of investment property - 2017

	Opening balance	Additions	Disposals	Total
Investment property	105 306 070	225 000	(7 283 513)	98 247 557

Reconciliation of investment property - 2016

	Opening balance	Additions	Disposals	Transfers	Total
Investment property	46 547 742	15 276 353	(1 176 717)	44 658 692	105 306 070

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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	109 581 334	-	109 581 334	97 035 392	-	97 035 392
Buildings	440 453 290	(162 287 224)	278 166 066	434 428 100	(139 366 481)	295 061 619
Infrastructure	10 348 828 790	(5 949 234 282)	4 399 594 508	10 264 863 660	(5 650 069 128)	4 614 794 532
Community	969 687 116	(421 565 089)	548 122 027	959 940 098	(368 082 286)	591 857 812
Other property, plant and equipment	150 625 701	(95 730 693)	54 895 008	148 114 410	(87 265 313)	60 849 097
Total	12 019 176 231	(6 628 817 288)	5 390 358 943	11 904 381 660	(6 244 783 208)	5 659 598 452

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Total
Land	97 035 392	20 362 345	(7 816 403)	-	-	-	-	109 581 334
Buildings	295 061 618	6 025 189	-	-	-	-	(22 920 741)	278 166 066
Infrastructure	4 614 794 533	130 917 127	(20 854 199)	-	-	-	(325 262 954)	4 399 594 507
Community	591 857 812	9 747 018	-	-	-	-	(53 482 803)	548 122 027
Other property, plant and equipment	60 849 097	3 609 416	(674 066)	-	-	-	(8 889 439)	54 895 008
	5 659 598 452	170 661 095	(29 344 668)	-	-	-	(410 555 937)	5 390 358 942

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land	101 224 933	-	(5 730 053)	1 540 512	-	-	-	-	97 035 392
Buildings	318 556 829	-	-	-	-	-	(23 495 211)	-	295 061 618
Infrastructure	4 855 898 409	101 196 558	(8 523 990)	-	-	-	(333 759 197)	(17 247)	4 614 794 533
Community	644 559 226	3 643 038	-	-	-	-	(56 344 452)	-	591 857 812
Other property, plant and equipment	66 062 237	9 468 421	(553 534)	-	-	-	(14 128 027)	-	60 849 097
	5 986 301 634	114 308 017	(14 807 577)	1 540 512	-	-	(427 726 887)	(17 247)	5 659 598 452

Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Total
Opening balance	97 970 240	97 970 240
Additions/capital expenditure	55 816 423	55 816 423
Transferred to completed items	(42 957 012)	(42 957 012)
	110 829 651	110 829 651

Reconciliation of Work-in-Progress 2016

	Included within Infrastructure	Total
Opening balance	48 174 658	48 174 658
Additions/capital expenditure	66 099 921	66 099 921
Transferred to completed items	(14 709 499)	(14 709 499)
	99 565 080	99 565 080

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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4. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4 578 555	-	4 578 555	4 578 555	-	4 578 555

Reconciliation of intangible assets - 2017

	Opening balance	Total
Computer software, other	4 578 555	4 578 555

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Total
Computer software, other	763 104	3 815 451	4 578 555

5. Heritage assets

	2017			2016		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	11 462 382	-	11 462 382	11 462 382	-	11 462 382

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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5. Heritage assets (continued)

Reconciliation of heritage assets 2017

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	11 462 382	11 462 382

Reconciliation of heritage assets 2016

	Opening balance	Additions	Total
Museum collectable, Monuments and Heritage sites	11 456 082	6 300	11 462 382

Heritage assets of which fair values cannot be reliably measured

Heritage Assets

The following heritage assets cannot be reliably measured: 15 Gravestones/graves, 6 Monuments, 1 railway line bridge, 1 old mine shaft, 1 rock engraving, 1 foundation and 1 rock wall. Fair value cannot be determined reliably due to the uniqueness of the asset and no market exists for the assets to establish a reasonable value.

6. Other financial assets

At amortised cost

Investments	30 059 029	27 692 322
The municipality has not reclassified any financial assets from amortised cost to fair value or from fair value to amortised during the current or prior year.		

Non-current assets

At amortised cost	30 059 029	27 692 322
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Financial assets at amortised cost

Nominal value of Investments

Nedcor FK183349	21 697 304	19 875 074
The Nedcor investment is encumbered by a pledge of R3 700 000.		
Sanlam Capital guaranteed fund - 040710409X0	524 109	490 096
Sanlam Capital guaranteed fund - 040644725X0	7 837 616	7 327 152
	30 059 029	27 692 322

7. Other receivables

Loan to Klerksdorp Rolbalklub

Short term portion of loan	24 987	24 987
Other	-	10 121
Long term portion of loan	112 477	137 519
	137 464	172 627

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 sports bodies

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
8. Inventories		
Consumable stores	35 081 646	32 723 971
Water	2 547 426	2 076 531
Museum stores - at authorised value	77 566	298 439
Unsold properties held for resale at council resolution or municipal valuation	350 428	176 499
	38 057 066	35 275 440
9. Receivables from exchange transactions		
Deposits	818 117	727 153
Receivables	10 321 175	26 329 977
Market	3 394 893	3 394 893
Housing and housing rentals	1 318 235	1 346 045
	15 852 420	31 798 068
10. Receivables from non-exchange transactions		
Fines	997 886	-
Receivables from non-exchange transactions impaired		
As of 30 June 2017, other receivables from non-exchange transactions of R24 035 530 (2016: R14 966 780) were impaired and provided for.		
The amount of the provision was R23 037 643 as of 30 June 2017 (2016: R14 966 780).		
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(14 966 780)	-
Provision for impairment	(8 070 863)	(14 966 780)
	(23 037 643)	(14 966 780)
11. VAT receivable		
VAT	43 146 756	14 996 622
12. Consumer debtors		
Gross balances		
Rates	155 214 166	137 197 404
Electricity	378 569 682	343 615 222
Water	936 443 083	750 560 729
Sewerage	181 820 449	153 663 046
Refuse	274 528 683	218 538 899
Interest on overdue accounts	647 024 761	515 274 329
Other	305 852 204	262 340 243
	2 879 453 028	2 381 189 872

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
12. Consumer debtors (continued)		
Less: Allowance for impairment		
Rates	(144 371 236)	(127 559 388)
Electricity	(301 502 451)	(268 211 201)
Water	(837 477 556)	(666 318 521)
Sewerage	(169 118 860)	(142 716 605)
Refuse	(255 350 695)	(203 221 807)
Interest on overdue accounts	(601 824 990)	(478 773 634)
Other	(284 486 021)	(244 999 160)
	(2 594 131 809)	(2 131 800 316)
Net balance		
Rates	10 842 930	9 638 015
Electricity	77 067 231	75 404 021
Water	98 965 527	84 242 208
Sewerage	12 701 589	10 946 441
Refuse	19 177 989	15 317 091
Interest on overdue accounts	45 199 771	36 500 695
Other	21 366 183	17 341 083
	285 321 220	249 389 554
Rates		
Current (0 -30 days)	18 631 027	17 471 479
31 - 60 days	5 511 977	5 246 287
61 - 90 days	4 131 023	3 712 169
91+ days	126 940 138	110 767 468
Provision for bad debts	(144 371 235)	(127 559 388)
	10 842 930	9 638 015
Electricity		
Current (0 -30 days)	96 484 136	95 925 004
31 - 60 days	14 198 462	8 876 631
61 - 90 days	7 868 852	5 844 205
91 + days	260 018 232	232 969 382
Provision for bad debts	(301 502 451)	(268 211 201)
	77 067 231	75 404 021
Water		
Current (0 -30 days)	68 894 820	70 647 290
31 - 60 days	25 674 896	31 252 552
61 - 90 days	24 030 915	19 193 698
91 + days	817 842 452	629 467 189
Provision for bad debts	(837 477 556)	(666 318 521)
	98 965 527	84 242 208
Sewerage		
Current (0 -30 days)	6 763 590	7 436 391
31 - 60 days	4 018 219	3 933 176
61 - 90 days	4 218 100	3 360 477
91 + days	166 820 540	138 933 002
Provision for bad debts	(169 118 860)	(142 716 605)
	12 701 589	10 946 441

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
12. Consumer debtors (continued)		
Refuse		
Current (0 -30 days)	8 901 426	10 207 809
31 - 60 days	6 171 569	6 615 339
61 - 90 days	7 076 321	5 739 739
91 + days	252 379 368	195 976 011
Provision for bad debts	(255 350 695)	(203 221 807)
	19 177 989	15 317 091
Interest on overdue accounts		
Current (0 -30 days)	17 217 717	15 297 699
31 - 60 days	16 791 198	12 483 689
61 - 90 days	18 817 904	11 953 885
91 + days	594 197 942	475 539 056
Provisions for bad debts	(601 824 990)	(478 773 634)
	45 199 771	36 500 695
Other		
Current (0 -30 days)	13 561 713	14 852 396
31 - 60 days	7 673 807	8 119 344
61 - 90 days	6 953 720	5 530 653
91 + days	277 662 964	233 837 850
Provision for bad debts	(284 486 021)	(244 999 160)
	21 366 183	17 341 083
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2 131 800 316)	(1 795 870 141)
Contributions to allowance	(568 164 833)	(474 564 132)
Debt impairment written off against allowance	105 833 340	138 633 957
	(2 594 131 809)	(2 131 800 316)

The carrying value of consumer debtors' approximate fair value.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	68 500	68 500
Short-term deposits and bank balances	90 463 817	25 500 409
	90 532 317	25 568 909

The municipality had the following bank accounts

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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13. Cash and cash equivalents (continued)

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA Bank - cheque account - 4060008684	339 485	321 037	144 183	260 942	234 245	118 628
ABSA Bank - cheque account - 01000100176	26 404 536	16 603 440	4 805 676	31 863 888	11 389 618	2 739 891
ABSA Bank - cheque account - 950164379 (Council water)	1 472 047	154 406	982 081	653 812	(463 145)	380 255
ABSA Bank - cheque account - 950000090 (Market)	864 395	926 883	814 093	92 062	92 062	92 062
ABSA Bank - 407826177 - Call Account	400 026	165 330	272 862	400 026	165 330	272 862
ABSA Bank - 4081494682 - Call Account	18 704 344	1 749 359	202 314	18 704 344	1 749 359	202 314
ABSA Bank - 4086111223 - Call Account	24 827 783	643 442	128 206	24 827 783	643 442	128 206
ABSA Bank - 4073033854 - Call Account	1 741 484	424 509	31 052 506	1 741 484	424 509	31 052 506
ABSA Bank - 9056825047 - Call Account	46 068	43 788	43 254	46 068	43 788	43 247
ABSA Bank - 9074204063 - Call Account	172 478	169 646	167 989	172 478	169 646	167 083
ABSA Bank - 9090072264 - Call Account	5 865 914	5 582 731	402 399	5 865 914	5 582 731	402 399
Investec Bank - 30000123771 - Call Account	5 584 257	5 218 153	65 397	5 584 257	5 218 153	65 397
FNB - 71037411669 - Collateral	39 748	36 975	34 778	34 778	36 975	34 778
FNB - 70379020873 - Collateral	14 000	14 000	14 000	14 000	14 000	14 000
FNB - 71039866474 - Collateral	55 025	51 379	48 438	48 438	51 379	48 438
ABSA Bank - call account - 4071085841 (Housing)	139 558	148 713	148 713	148 317	148 317	148 317
Total	86 671 148	32 253 791	39 326 889	90 458 591	25 500 409	35 910 383

14. Other financial liabilities

At amortised cost

Shiva Uranium	32 409 664	32 409 664
The loan is interest free and repayable by selling potable water to the company at R0.50 per kilolitre discount to the regular price of potable water pumped.		
Annuity loans	68 858 450	83 420 091
	101 268 114	115 829 755

Total other financial liabilities

101 268 114	115 829 755
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Non-current liabilities

At amortised cost	88 158 572	102 720 212
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Current liabilities

At amortised cost	13 109 542	13 109 542
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City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
15. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises:		
Unspent conditional grants and receipts		
MIG	166 085	-
National Electricity Regulator	1 068 976	1 938 428
FMG	6 010	1 070
DWAF	276 464	276 464
MSIG	-	130 526
EPWP	2 466	1 512 217
Fire Grant	255 183	255 183
Library grant	1 781 810	1 632 755
NDPG Grant	28 150	-
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	7 352
	8 586 956	10 748 455

See note 22 for reconciliation of grants from National or Provincial Government.

City of Matlosana

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16. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Reduction due to re-measurement or settlement	Total
Environmental rehabilitation	11 114 665	-	(3 918 444)	-	7 196 221
Continuous medical aid contribution	203 018 828	-	-	(5 285 239)	197 733 589
Long service awards	52 050 296	2 629 937	-	-	54 680 233
	266 183 789	2 629 937	(3 918 444)	(5 285 239)	259 610 043

Reconciliation of provisions - 2016

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	16 031 129	-	-	(4 916 464)	-	11 114 665
Continuous medical aid contribution	213 229 839	-	-	-	(10 211 011)	203 018 828
Long service awards	50 676 370	1 373 926	-	-	-	52 050 296
	279 937 338	1 373 926	-	(4 916 464)	(10 211 011)	266 183 789

Non-current liabilities	246 277 700	253 637 219
Current liabilities	13 332 343	12 546 570
	259 610 043	266 183 789

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

16. Provisions (continued)

Employee benefit cost provision

	Year ending 30/06/2018	Year ending 30/06/2019	2017	2016
Opening defined benefit obligation	197 733 589	215 246 856	203 018 828	213 229 839
Plus Service Cost	8 298 650	9 066 227	8 845 732	8 486 764
Plus Interest / Finance Cost	17 896 579	19 486 774	18 659 009	18 666 921
Actuarial (Gain)/Loss	-	-	(24 754 600)	(29 340 416)
Expected Employer Benefit Payments	(8 681 962)	(9 338 260)	(8 035 380)	(8 024 280)
	215 246 856	234 461 597	197 733 589	203 018 828

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 : 9.25% (2016 :9.37%)

Health care cost inflation rate: 7.56% (2016 : 8.43%)

Net effective discount rate: 1.57% (2016 : 0.87%)

Maximum Subsidy inflation rate: 5.29% (2016 :5.95%)

Net discount rate for capped subsidies: 3.76% (2016: 3.23%)

Take-up by retired employees : 100% (2016 : 100%)

Retirement age : 65 (2016 : 65)

Proportion assumed married at retirement: 45% (2016: 45%)

Proportion of eligible current non-member employees joining the scheme by retirement 25% (2016: 25%)

Pre-retirement mortality : SA85-90 Light (2016 : SA85-90 Light)

Post-retirement mortality : PA[90] (2016 : 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	Continuation	Total	% Change
Central Assumptions		104.687	93.047	197.734	
Health care inflation	+1%	116.899	94.936	211.836	7%
	-1%	90.311	90.194	180.505	-9%
Discount Rate	+1%	86.248	85.911	172.159	-13%
	-1%	128.496	101.320	229.817	16%
Post-retirement mortality	-1 yr	108.201	96.337	204.538	3%
Average retirement age	-1 yr	114.948	93.047	207.994	5%
Continuation of membership at retirement	-10%	90.436	93.047	183.482	-7%

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

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16. 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 2017.

(R millions)

Assumption	Change	Current - service Cost	Interest Cost	Total	% change
Central Assumptions		8,445,700	18,659,000	27,504,700	
Health care inflation	+1%	10,091,400	20,121,800	30,213,200	17%
	-1%	7,417,100	16,918,900	24,336,000	-15%
Discount rate	+1%	7,155,600	17,865,100	25,020,700	-9%
	-1%	11,071,200	19,499,800	30,571,000	11%
Post-retirement mortality	-1yr	9,175,500	19,370,200	28,545,700	4%
Average retirement age	-1yr	9,549,300	19,679,400	29,228,700	6%
Continuation of membership at retirement	-10%	7,640,300	17,278,900	24,919,200	-9%

History of Liabilities, 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	30/06/2013	30/06/2014	30/06/2015	30/06/2016	30/06/2017
Accrued liability	235,206	195,598	213,230	203,019	197,734
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Surplus / (Deficit)	(235,206)	(195,598)	(213,230)	(203,019)	(197,734)

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 30/06/2013	Year ending 30/06/2014	Year ending 30/06/2015	Year ending 30/06/2016	Year ending 30/06/2017
Accrued liability	(1,893)	(75,058)	3,984	(8,305)	(4,668)
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 30/06/2019	2017	2016
Balance at beginning of year	54 680 233	59 210 286	52 050 287	50 676 361
Current-service cost	4 714 850	5 116 635	4 715 259	4 519 344
Interest cost	4 465 584	4 737 014	4 293 517	3 955 254
Benefits Paid/ Expected benefits	(4 650 381)	(7 396 303)	(4 511 190)	(4 421 299)
Actuarial Loss / (Gain)	-	-	(1 867 640)	(2 679 373)
	59 210 286	61 667 632	54 680 233	52 050 287

General description of the type of plan

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,

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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16. Provisions (continued)

Principal assumptions used as at the balance sheet date

Discount Rate: 8.52% (2016: 8.15%)

Cost Inflation Rate: 6.34% (2016: 7.26%)

Net Effective Discount Rate: 2.05% (2016 :1.26%)

Expected Retirement Age: 65 (2016:65)

Mortality during employment: SA85-90 Light (2016 : 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		54,680	
General salary inflation	+1%	58,510	7%
	-1%	51,230	-7%
Discount Rate	+1%	51,094	-7%
	-1%	58,734	8%
Average retirement age	-2 yrs	49,765	-9%
	2yrs	59,568	9%
Withdrawal rates	-50	61,469	12%

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2017.

Assumption	Change	Current - service Cost	Interest Cost	Total	% change
Central Assumptions		4,715,300	4,293,500	9,008,800	
General salary inflation	+1%	5,152,000	4,625,100	9,777,100	9%
	-1%	4,329,000	3,996,000	8,325,000	-8%
Discount rate	+1%	4,355,500	4,445,200	8,800,700	-2%
	-1%	5,128,300	4,107,000	9,235,300	3%
Average retirement age	-2yrs	4,325,300	3,873,300	8,198,600	-9%
	+2yrs	5,081,900	4,704,500	9,786,400	9%
Withdrawal rates	-10%	5,694,600	4,851,600	10,546,200	17%

History of Liabilities, Assets and Experience Adjustments

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	30/06/2016	30/06/2017
Accrued Liability	46,222,438	50,676,361	52,050,287	54,680,233
Fair value of plan assets	0	0	0	0
Surplus / (Deficit)	(46,222,438)	(50,676,361)	(52,050,287)	(54,680,233)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

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17. Payables from exchange transactions

Trade payables	561 854 686	397 282 278
Payments received in advance	42 863 475	32 169 565
Accrued leave pay	74 381 920	69 940 230
Long Service Leave	4 827 190	5 055 482
Sundry creditors	38 494 879	40 258 874
Housing : Absa bank account	148 317	148 317
Other Creditors	2 070	2 070
	722 572 537	544 856 816

18. Consumer deposits

Electricity and water	24 124 748	29 309 017
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19. Revenue

Rendering of services	13 541	3 701
Service charges	1 389 127 035	1 311 585 378
Rental of facilities and equipment	5 137 430	4 579 207
Licences and permits	7 107 165	5 717 316
Miscellaneous other revenue	8 339	4 197
Property rates	265 941 408	272 706 788
Government grants and subsidies	477 693 095	446 574 019
Levies	1 490 257	1 410 620
Fines, Penalties and Forfeits	10 505 354	13 573 269
Market Dues	16 616 277	16 064 180
	2 173 639 901	2 072 218 675

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

Service charges	1 389 127 035	1 311 585 378
Rendering of services	13 541	3 701
Rental of facilities and equipment	5 137 430	4 579 207
Licences and permits	7 107 165	5 717 316
Miscellaneous other revenue	8 339	4 197
Commissions received	10 717 594	10 370 251
Recoveries	9 902 031	2 113 123
	1 422 013 135	1 334 373 173

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

Taxation revenue

Property rates	265 941 408	272 706 788
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Transfer revenue

Government grants and subsidies	477 693 095	446 574 019
Levies	1 490 257	1 410 620
Fines, Penalties and Forfeits	10 505 354	13 573 269
Market Dues	16 616 277	16 064 180
	772 246 391	750 328 876

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
20. Property rates		
Rates received		
Residential	262 640 107	251 737 887
State	9 679 352	24 282 924
Indigent	(6 416 106)	(3 352 078)
Sundry debtors	38 055	38 055
	265 941 408	272 706 788
Valuations		
Residential	15 535 909 231	15 535 909 231
State	934 669 050	934 669 050
Municipal	625 832 325	625 832 325
Agricultural	2 057 631 936	2 057 631 936
Business	4 701 022 117	4 701 022 117
	23 855 064 659	23 855 064 659
Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2014. The valuations were done by DDP Valuers on behalf of the Municipality.		
21. Service charges		
Sale of electricity	699 088 395	660 703 175
Sale of water	465 049 360	436 843 406
Sewerage and sanitation charges	98 707 056	91 495 501
Refuse removal	126 282 224	122 543 297
	1 389 127 035	1 311 585 379
22. Government grants and subsidies		
Operating grants		
Equitable share	342 855 000	339 737 000
MIG	130 178 813	100 131 066
FMG	1 805 060	1 673 930
MSIG	-	935 210
Library Grant	950 945	607 834
Museum Grant	250 000	99 998
	476 039 818	443 185 038
Capital grants		
EPWP	1 653 277	3 388 981
	1 653 277	3 388 981
	477 693 095	446 574 019

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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22. 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 (2016: R390), which is funded from the grant.

MIG

Current-year receipts	83 362 000	84 493 000
Conditions met - transferred to revenue	(83 195 915)	(67 670 074)
Roll-over denied	-	(16 822 926)
	166 085	-

Conditions still to be met - remain liabilities (see note 15)

The municipality was denied a roll-over 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 roll-over, the municipality was once more denied another roll-over 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 cashflow difficulties that have plagued the municipality for the last couple of years.

NERSA

Balance unspent at beginning of year	1 938 428	414 998
Current-year receipts	10 800 000	5 000 000
Conditions met - transferred to revenue	(11 669 452)	(3 476 570)
	1 068 976	1 938 428

Conditions still to be met - remain liabilities (see note 15)

FMG

Balance unspent at beginning of year	1 070	-
Current-year receipts	1 810 000	1 675 000
Conditions met - transferred to revenue	(1 805 060)	(1 673 930)
	6 010	1 070

Conditions still to be met - remain liabilities (see note 15)

DWAF

Balance unspent at beginning of year	276 464	276 464
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Conditions still to be met - remain liabilities (see note 15)

MSIG

Balance unspent at beginning of year	130 526	135 736
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(935 210)
Roll-over denied	(130 526)	-
	-	130 526

Conditions still to be met - remain liabilities (see note 15)

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
22. Government grants and subsidies (continued)		
EPWP		
Balance unspent at beginning of year	1 512 217	2 973 198
Current-year receipts	1 656 000	3 028 000
Conditions met - transferred to revenue	(1 653 277)	(3 388 981)
Roll-over denied	(1 512 474)	(1 100 000)
	2 466	1 512 217
Conditions still to be met - remain liabilities (see note 15)		
Fire		
Balance unspent at beginning of year	255 183	52 606
Current-year receipts	-	2 200 000
Conditions met - transferred to revenue	-	(1 997 423)
	255 183	255 183
Conditions still to be met - remain liabilities (see note 15).		
Library		
Balance unspent at beginning of year	1 632 754	1 240 589
Current-year receipts	1 100 000	1 000 000
Conditions met - transferred to revenue	(950 944)	(607 835)
	1 781 810	1 632 754
Conditions still to be met - remain liabilities (see note 15).		
NDPG Grant		
Balance unspent at beginning of year	-	3 971 670
Current-year receipts	35 325 000	26 987 000
Conditions met - transferred to revenue	(35 296 850)	(26 987 000)
Roll-over denied	-	(3 971 670)
	28 150	-
Conditions still to be met - remain liabilities (see note 15).		
District MEYMP		
Balance unspent at beginning of year	213 176	213 176
Conditions still to be met - remain liabilities (see note 15).		
Disaster Assessment Management Grant		
Balance unspent at beginning of year	200 000	200 000
Conditions still to be met - remain liabilities (see note 15).		

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
22. 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 15).		
Museum Grant		
Balance unspent at beginning of year	7 352	7 350
Current-year receipts	-	100 000
Conditions met - transferred to revenue	-	(99 998)
	7 352	7 352
Conditions still to be met - remain liabilities (see note 15).		
23. Other income		
Commissions received	10 717 594	10 370 251
Royalties received	1 753 619	2 338 097
Rental income - third party	273 955	295 481
Discount received	627 965	638 644
Recoveries	698 348	2 113 123
Gain on movement of provisions	9 203 683	-
Other miscellaneous income	14 321 889	14 164 825
Donation of community hall	20 836 637	25 772 055
	58 433 690	55 692 476

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
24. General expenses		
Advertising	1 309 196	1 165 836
Alternative Energy	6 639 731	4 861 366
Animal costs	-	11 774
Auditors' remuneration	4 057 121	5 969 400
Bank charges	5 608 938	7 646 210
Chemicals	1 109 021	1 239 403
Professional Fees	12 492 667	11 886 522
Commission paid	15 331 710	10 728 637
Community development and training	395 825	131 526
Conferences and seminars	1 130 812	994 110
Consumables	1 355 864	1 164 246
Discount allowed	1 103 318	885 620
Entertainment	180 497	64 937
Fines and penalties	803 500	-
Hire	4 652 798	4 566 383
Indigent costs	1 430 903	16 846 954
Installation cost	13 102 319	11 552 819
Insurance	4 503 730	5 758 290
Legal fees	14 105 403	12 649 835
Loss on Disposal of Assets	32 631 093	660 191
Magazines, books and periodicals	78 702	58 487
Marketing	215 235	203 977
Medical expenses	133 148	54 212
Meter readings	7 816 895	9 207 192
Motor vehicle expenses	46 653 180	50 308 659
Other miscellaneous	36 450 638	21 181 795
Pest control	70 000	68 803
Postage and courier	3 831 047	3 188 072
Printing and stationery	3 161 453	2 690 652
Promotions and sponsorships	134 124	100 000
Protective clothing	4 872 144	1 490 337
Refuse	6 411 245	5 923 133
Revenue enhancement	236 669	-
Royalties and license fees	5 375	-
Stock write- offs	591 767	6 174 489
Subscriptions and membership fees	2 971 381	4 306 584
Telephone and fax	5 707 910	5 508 217
Title deed search fees	375 759	349 145
Tracing fees	1 053	88 800
Training	2 735 404	591 581
Transport and freight	12 221	35 568
Travel - local	376 070	336 103
Valuation fees	45 150	692 643
	244 831 016	211 342 508

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
25. Employee related costs		
Basic	332 623 196	314 474 587
Medical aid - related costs	42 198 994	27 356 257
UIF	3 241 851	2 992 576
WCA	2 786 575	2 534 242
SDL	4 349 515	4 071 448
Leave pay provision charge	4 213 397	3 282 743
Travel, motor car, accommodation, subsistence and other allowances	8 692 636	8 135 936
Overtime payments	31 423 203	31 115 095
Long-service awards	2 629 937	1 373 926
13th Cheques	25 542 139	23 537 351
Housing benefits and allowances	2 162 573	2 056 386
Group insurance	1 270 586	1 178 624
Pension fund	65 177 038	62 588 435
Redemption of leave	3 014 501	3 832 216
Cell phone allowance	601 330	601 004
Other payments	504 694	248 563
Blood samples	19 549	35 369
	530 451 714	489 414 758
Remuneration of Municipal Manager		
Motsemme ET (Municipal Manager)	-	1 398 928
Mabuda SG(Acting Municipal Manager until September 2016)	1 024 598	1 398 928
TSR Nkhumise (Acting Municipal Manager from October 2016 to April 2017 and appointed as Municipal Manager from May 2017)	444 296	-
	1 468 894	2 797 856
Remuneration of Chief Financial Officer		
CHR Boshoff(Acting Chief Financial Officer until March 2017)	1 094 580	1 369 066
MKG Ramorwesi (Chief Financial Officer as from March 2017)	345 302	-
	1 439 882	1 369 066
Remuneration of Director Municipal and Environmental Services (Vacant)		
Annual equivalent remuneration.	1 190 868	1 121 343
Remuneration of Director Corporate Services		
Ramorola LM(Acting director until 16 April 2017)	936 022	1 121 343
Remuneration of Director Macro-City Planning and Development		
Annual equivalent remuneration (Mabuda SG was appointed acting municipal manager from 14 January 2015)	1 190 868	1 121 343
Remuneration of Director Strategic Planning, Monitoring and Control (Vacant)		
Annual equivalent remuneration(Ramorola LM was appointed acting corporate service director)	1 190 868	1 121 343
Remuneration of Director Infrastructure (Vacant)		
LM More(Acting Director until May 2017)	1 190 868	1 121 343
Remuneration of Director Electrical and Mechanical Engineering (Vacant)		
Annual equivalent remuneration.	1 190 868	1 121 343

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
26. Remuneration of councillors		
Executive Mayor	859 856	816 329
Mayoral Committee Members	6 450 621	7 311 307
Speaker	733 770	658 915
Councillors	20 353 829	15 195 294
	28 398 076	23 981 845
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.		
27. Debt impairment		
Debt impairment	16 244 975	-
Contributions to debt impairment provision	527 213 577	480 063 289
	543 458 552	480 063 289
28. Investment revenue		
Interest revenue		
Bank	807 816	671 841
Interest charged on trade and other receivables	161 301 557	130 897 119
Interest on investments	8 357 872	6 911 774
	170 467 245	138 480 734
29. Depreciation and amortisation		
Property, plant and equipment	410 555 939	427 744 133
30. Finance costs		
Non-current borrowings	8 997 234	10 598 773
Other interest paid	34 957 730	23 264 026
	43 954 964	33 862 799
31. Auditors' remuneration		
Fees	4 057 121	5 969 400
32. Contracted services		
Security Services	22 892 261	22 647 945
Disconnecting/ Connecting Services	693 011	-
Debt Collection	12 403 036	9 407 373
Garden Services Paypoints	-	-
	35 988 308	32 055 318

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
33. Bulk purchases		
Electricity	529 967 390	524 019 282
Water	245 252 037	235 325 489
	775 219 427	759 344 771
Electricity (losses in units)	136 612 158	148 982 382
Electricity (losses as %)	24%	25%
Water (losses in units)	10 407 632	8 886 211
Water (losses) in %	35%	29%
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.		
34. Cash generated from operations		
Deficit	(307 260 511)	(254 274 906)
Adjustments for:		
Depreciation and amortisation	410 555 939	427 744 133
Debt impairment	462 331 490	480 063 287
Movements in provisions	(6 573 746)	(13 753 549)
Non-cash donation received	(20 836 637)	(25 772 055)
Leave provision	-	8 199 206
Stock adjustment	591 767	5 201 080
Loss on sale of assets	32 631 093	660 190
Wild stock adjustment	955 169	-
Changes in working capital:		
Inventories	(3 373 393)	(15 611 691)
Receivables from exchange transactions	15 551 203	(27 434 875)
Consumer debtors	(498 263 156)	(510 361 822)
Other receivables from non-exchange transactions	(997 886)	3 399 530
Other receivables	35 163	3 017 749
Payables from exchange transactions	178 110 130	2 405 540
VAT	(28 150 134)	13 576 470
Unspent conditional grants and receipts	(2 161 499)	(3 318 614)
	233 144 992	93 739 673

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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35. Commitments

Authorised capital expenditure

• Infrastructure	119 803 987	17 732 719
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This expenditure will be financed from :

• Government grants	119 803 987	17 732 719
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This committed expenditure relates to property, plant and equipment and will be financed by grants from National Treasury.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	26 844 680	13 164 680
- in second to fifth year inclusive	7 808 227	17 552 906
	34 652 907	30 717 586

Operating lease payments represent rentals payable by the municipality for photocopiers. Leases are negotiated for an average term of three years. No contingent rent is payable.

36. Contingencies

Contingent assets

City of Matlosana / MM Moadira

Six claims were formulated in the summons relating to financial losses due to misconduct by the defendant	-	4 754 892
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City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd

Council obtained judgement against respondent.	650 000	650 000
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Isago at N12 Development / City of Matlosana, Abacus Asset Management And Sanral

Isago owes the Municipality 3,6million for the value of street lights that should have been installed.	3 600 000	-
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City of Matlosana / Great Champs Trading

Settlement for rental due and payable which defendant has not settled.	76 693	76 693
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City of Matlosana / Badiboa

The claim from the City of Matlosana is one for damages suffered due to the breach of contract by Badiboa	1 500 000	-
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City of Matlosana / Mr Masisi

City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure	2 657 462	1 000 000
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City of Matlosana / Isago at N12 Development

Isago owes the City of Matlosana 10mill for breach of contract.	10 000 000	-
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City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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37. Related parties

Relationships

Councillor PN Moeng	Titanic Funeral Services
Councillor SOC Barends	Ya Rona Trading Enterprise
Councillor MI Groenewald	Midvaal Water Company

Councillor Groenewald is a member of the board of directors of the Midvaal Water Company (a section 21 company) that supplies bulk water to the City of Matlosana. Transactions with Midvaal Water Company amounted to R245 252 037 (2016:R235 325 489). Midvaal Water Company is a supplier and the transactions are at arm's length.

Councillor Moeng is a member of Titanic Funeral Services and the amount contracted for the year amounted to R13 250.

Councillor Barends is a related party of Ya Rona Karona Trading Enterprise and the amount contracted for the year amounted to R24 200

Mr Seth Ramagaga was appointed as Administrator of the City of Matlosana under Section 139 (1)(b) of the Constitution of South Africa for the period between 3 December 2015 and 15 September 2016. The cost for the administration was borne by the Office of the MEC for Local government of the North West and not by the municipality.

38. Prior period errors

1. In the prior year the opening balance for the following assets was discovered to be have been misstated: Infrastructure was understated by R46 770 109.57, Land held for sale was overstated by R4 875.79, Land and Buildings were over understated by R896 881.39, Plant and Equipment was understated by R2 302 914, Other assets (Movables) were understated by R365 045, Heritage Assets were understated by R637 605, Land held for sale was overstated by R4 875 and Investment property was understated by R268 339.77.
2. In 2016 the investment property was undersated by R15 276 352.72 and VAT recievable was understated by R1 545 928.75 due to an omission error when the recievable from the sale of stands was written off.
3. in 2016, the depreciation was overstated by R45 199 466.84 and the related accumulated depreciation for the property plant and equipment was overstated by the same amount.
4. During the the 2016 financial period, there was capital expenditure that was incorrectly expensed and this led to an understatement of the Infrastructure and overstated of expenses by R1 364 665.
5. The insurance expenses were duplicated in the prior year and consequently the general expenses were overstated by R6 167 922.82 and the receivables from exchange transactions were understated by the same amount.
6. In the prior year, the receivables were overstated by R911 793.10 due to late entries, while the other revenue was overstated by the same amount.
7. In the prior year, the irregular expenditure was understated by R35 741 214.52 due to certain transactions being omitted from the register.
8. In 2015, the gross debtors were understated by R85 462 131.14 and by R87 781 684.23 while revenue was understated by R2 319 553.09 due to the non-accrual of unbilled water and electricity.
9. In the prior year the NDPG grant was incorrectly recognised as having been overspent by R132 329, consequently, grant revenue was overstated and unspent conditional grants were overstated.

Effect of errors on the Accumulated Surplus

Increase in accumulated surplus due to error 1	-	47 139 343
Increase in accumulated surplus due to error 2	-	16 822 281
Increase in accumulated surplus due to error 9	-	85 462 131
Increase / (Decrease) in Unappropriated Surplus Account	-	149 423 755

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
38. Prior period errors (continued)		
Effect of errors on Statement of financial position		
increase in Property, plant and equipment due to error 1	-	46 238 274
Increase in Heritage assets due to error 1	-	637 605
Decrease in inventory due to error 1	-	(4 877)
Increase in Investment property due to error 1	-	268 340
Increase in investment property due to error 2	-	15 276 353
Increase in VAT recievable due to error 2	-	1 545 929
Increase in property plant and equipment due to error 3	-	45 199 467
Increase in property plant and equipment due to error 4	-	1 364 665
Decrease in recievables from exchange transactions due to error 5	-	6 167 923
Decrease in receivables from exchange transaction due to error 6	-	(911 793)
Increase in consumer debtors due to error 9	-	87 781 684
Increase in unspent conditional grants due error 10	-	(132 329)
	-	203 431 241
Effect of errors on Statement of Financial Performance		
Deficit as previously reported	-	(308 282 393)
Decrease in depreciation due to error 3	-	45 199 467
Decrease in general expenses due to error 4	-	1 364 655
Decrease in General Expenses due to error 5	-	6 167 923
Decrease in other income due to error 6	-	(911 793)
Increase in service revenue due to error 9	-	2 319 553
Decrease in grant revenue due to error 10	-	(132 329)
Restated deficit as per Statement of changes in Net Assets	-	(254 274 917)

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 14, cash and cash equivalents disclosed in note 13, 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 2017 and 2016 respectively were as follows:

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand		2017	2016
39. Risk management (continued)			
Total borrowings			
Current Liabilities		781 726 126	610 586 996
Non-current liabilities		334 436 272	356 357 431
		1 116 162 398	966 944 427
Less: Cash and cash equivalents	13	90 532 317	25 568 909
Net debt		1 025 630 081	941 375 518
Total equity		4 909 188 311	5 216 448 855
Total capital		5 934 818 392	6 157 824 373

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 ongoing 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 2017 and 2016, 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:

	2017	2016
Financial instruments		
Long term receivables	30 059 029	27 692 322
Consumer debtors	285 321 220	161 607 870
Other receivables	137 464	172 627
Cash and cash equivalents	90 532 317	25 568 909

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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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 6.

40. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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 dependent 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	1 498 231 982	1 424 534 175
Unauthorised expenditure current year	184 080 291	73 697 807
Unauthorised expenditure awaiting authorisation	1 682 312 273	1 498 231 982

The over-expenditure for the 2017 financial year is primarily due the impairment on the consumer debtors and other debtors. The total balance including the opening balance will be dealt with in accordance with the MFMA requirements.

43. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	114 486 490	91 222 464
Fruitless and wasteful expenditure current year	37 420 124	23 264 026
Fruitless and wasteful expenditure awaiting condonement	151 906 614	114 486 490

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 workmen's compensation contributions.

After the financial period, on the 29th of August, council resolved to write-off R131,205,397 of the fruitless and wasteful expenditure as irrecoverable after complying with the requirements of section 32 of the MFMA.

44. Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	2 117 068 158	1 870 863 938
Add: Irregular Expenditure - current year	254 293 906	188 430 526
Add: Deviations	20 957 980	22 032 479
Prior period errors	-	35 741 215
Irregular expenditure awaiting condonement	2 392 320 044	2 117 068 158

All possible Irregular expenditure is being investigated. Once we finalise all the technical processes and we are satisfied that its irregular it will be included on our Irregular expenditure register.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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	2 788 000	3 371 500
Amount paid - current year	(2 788 000)	(3 371 500)
	23 754	23 754
Audit fees		
Opening balance	1 866 567	4 841 740
Current year subscription / fee	3 420 849	1 427 904
Amount paid - current year	(3 945 173)	(4 403 077)
	1 342 243	1 866 567
PAYE, UIF and SDL		
Opening balance	4 671 183	4 043 452
Current year subscription / fee	53 594 461	57 783 400
Amount paid - current year	(53 075 364)	(57 155 669)
	5 190 280	4 671 183
Pension and Medical Aid Deductions		
Opening balance	10 339 820	11 107 186
Current year subscription / fee	160 343 334	129 781 113
Amount paid - current year	(160 196 117)	(130 548 479)
	10 487 037	10 339 820
VAT		
VAT receivable	43 146 756	14 996 622

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:
(Currently arrangements are made with the Councillors to deduct the outstanding balances from their monthly salaries in line with the council's credit policy)

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

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

30 June 2017	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Coetzee	2 924	40 951	43 875
Councillor MF Nthaba	9 894	17 531	27 425
Councillor NA Ludidi	968	9 864	10 832
Councillor VS Qankase	845	2 437	3 282
Councillor JS Tsabedze	1 103	19 001	20 104
Councillor R Thejane	1 064	89 486	90 550
Councillor HL Methi	2 204	56 414	58 618
Councillor SH Nani	1 563	62 891	64 454
Councillor MC Mahlangu	270	14 020	14 290
Councillor TM Mabulela	1 061	3 528	4 589
Councillor RK Ponisi	1 798	54 479	56 277
Councillor TG Khoza	2 237	22 090	24 327
Councillor NI Matetoane	6 935	18 984	25 919
Councillor M Ntaopane	1 857	16 037	17 894
Councillor GS Nkebe	1 519	4 602	6 121
Councillor GL Moeng	719	9 397	10 116
Councillor SD Mongale	1 087	10 628	11 715
Councillor NS Mendela	3 536	3 835	7 371
Councillor MJ Moloko	4 831	41 551	46 382
Councillor G Mqikela	1 035	40 682	41 717
Councillor LD Molefi	1 064	5 277	6 341
Councillor ME Mosweu	2 323	809	3 132
Councillor DF Roodt	13 108	65 660	78 768
	63 945	610 154	674 099
30 June 2016	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Coetzee	6 862	34 924	41 786
Councillor MP Hlaka	2 363	4 187	6 550
Councillor KL Ross	1 128	3 128	4 256
	10 353	42 239	52 592

During the year, the following Councillors had arrear accounts outstanding for more than 90 days.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
45. Additional disclosure in terms of Municipal Finance Management Act (continued)		
30 June 2017		
	Highest outstanding amount 2017	Highest outstanding amount 2016
Councillor R Thejane	90 549	-
Councillor DF Roodt	78 768	-
Councillor SH Nani	64 454	-
Councillor HL Methi	58 618	-
Councillor RK Ponisi	56 277	-
Councillor MJ Moloko	46 381	-
Councillor M Coetzee	43 875	41 786
Councillor G Mqikela	41 717	-
Councillor MF Nthaba	27 425	-
Councillor NI Matetoane	25 920	-
Councillor TG Khoza	24 327	-
Councillor JS Tsabedze	20 104	-
Councillor M Ntaopane	17 894	-
Councillor MC Mahlangu	14 290	-
Councillor SD Mongale	11 716	-
Councillor NA Ludidi	10 832	-
Councillor GL Moeng	10 117	-
Councillor NS Mendela	7 371	-
Councillor LD Molefi	6 341	-
Councillor GS Nkebe	6 121	-
Councillor TM Mabulela	4 589	-
Councillor VS Qankase	3 282	-
Councillor ME Mosweu	3 132	-
Councillor MP Hlaka	-	9 609
Councillor KL Ross	-	6 628
	674 100	58 023

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
46. Contingent liabilities		
	-	-
S Ndabangaugue / City of Matlosana	-	150 000
H.T 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 through the tender	-	1 600 000
City of Matlosana / Isago @N12 Development (Pty) Ltd Claims to prevent development on property in Flamewood, due to unlawful dealings by the first respondent	-	160 000 000
Owamajola / City of Matlosana The plaintiff sued the City of Matlosana for service rendered of R3 396 512.43	3 396 512	3 396 512
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
City of Matlosana / ET Motsemme The plaintiff is suing the municipality for wrongful dismissal	13 000 000	-
City of Matlosana / N Mceleni Litigation and claim between the plaintiff and the municipality	-	100 000
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
Van Niekerk / City of Matlosana This matter relates to two respective issues. The first is a high court application launched by Van Niekerk against a Mr Coetzee in respect of a Land Use rights dispute wherein the COM has also been added as a respondent to defend certain decisions taken by it to approve the said Land Use Rights to Coetzee. The second part is an appeal to the COM against the decision by the COM to have approved the application of Coetzee for the acquired Land Use rights. The appeal process will undoubtedly result in a review application to the High Court once completed internally by the COM.	100 000	-
QCK Lezmin 4251 CC / City of Matlosana Council is defending summons brought against the Council by the plaintiff.	-	1 309 124

City of Matlosana

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
46. Contingent liabilities (continued)		
P&S Basson / City of Matlosana A summons was brought against the Council for psychological shock and emotional shock by the Plaintiffs.	283 200	-
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.	17 391 228	17 391 229
City of Matlosana / SAMWU 060 ABS Fourie Litigation and claim between the plaintiff and the municipality	-	153 632
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. The case of action started during 2011	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
Itumeleng Phela / City of Matlosana On or about 25 August 2016, as a result of an alleged failure by certain employees of the CoM to secure a maintenance site where they were conducting maintenance work on water pipes. and the CoM is being sued for 10million	10 000 000	-
City of Matlosana / S.J Khabu Litigation and claims between plaintiff and the municipality	1 212 000	1 212 000
City of Matlosana / Bonang Trading Developments Litigation and claims between plaintiff and the municipality	-	1 015 000
Invula Roads and Civil / City of Matlosana The claimant instituted legal action against the City of Matlosana for services rendered	268 383	-
Munmap (Pty) Ltd Maximum Profit Recovery / City of Matlosana The claimant instituted legal action against the City of Matlosana	-	7 822 100
Nicolaas Johannes Myburg / City of Matlosana A summons was brought against Council for the amount of R1 007 879,31 by Mr N.J Myburg, where he was claiming money from Council for damages to his property due to a fire outbreak. On 5 June 2005 a fire broke out in Mr Myburg's house on Plot 9, Golden Vaal, Vierfontein District, Viljoenskroon. The fire brigade reacted to an emergency call. When the fire brigade eventually arrived their equipment malfunctioned.	1 007 879	-
City of Matlosana / Solid Base Trading CC Claim against City of Matlosana due to expropriation of land.	350 000	-

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
46. Contingent liabilities (continued)		
IMIC Investments (Pty) Ltd / City of Matlosana		
The claimant instituted legal action against the City of Matlosana.	329 536	-
City of Matlosana / Incledon Division of DPI Plastics (Pty) Ltd		
Litigation and claims between the plaintiff and the municipality	-	200 000

APPENDIX A
CITY OF MATLOSANA SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2017

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 1/07/2016	Received during the period	Redeemed written off during the period	Balance at 30/06/2017
			R	R	R	R
ANNUITY LOANS						
Development Bank of SA @ 15.00%	NW10959	30-Sep-2017	1 552 251.28		997 031.69	555 219.59
Development Bank of SA @ 15.25%	NW11182	30-Sep-2018	2 509 003.08		895 125.90	1 613 877.18
Development Bank of SA @ 15.60%	NW13637	30-Sep-2020	2 115 217.26		355 211.94	1 760 005.32
Development Bank of SA @ prime	NW13874/1	30-Sep-2019	1 666 666.65		555 555.54	1 111 111.11
Development Bank of SA @ prime + 1.5%	NW13874/2	30-Jun-2019	14 998 125.00			14 998 125.00
Development Bank of SA @ 11.20%	NW101297/1	30-Jun-2019	9 725 708.58		2 895 350.04	6 830 358.54
Development Bank of SA @ 11.20%	NW101297/2	30-Jun-2019	12 169 920.63		3 622 993.63	8 546 927.00
Development Bank of SA @ 15.00%	10556	31-Mrt-2018	3 397 258.23		1 576 383.74	1 820 874.49
Development Bank of SA @ 15.25%	10906	30-Sep-2019	2 110 134.24		497 000.79	1 613 133.45
Development Bank of SA @ 15.25%	10912	30-Sep-2019	3 125 015.64		736 036.23	2 388 979.41
Development Bank of SA @ 15.25%	10913	30-Sep-2019	2 405 147.37		566 485.35	1 838 662.02
Development Bank of SA @ 14.75%	103677	1-Nov-2025	27 645 642.64		1 864 465.26	25 781 177.38
TOTAL EXTERNAL LOANS			83 420 090.60	0.00	14 561 640.11	68 858 450.49



Final consolidation of this report was done
by the Performance Management Unit

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