



ANNUAL REPORT

2017-2018

CITY OF MATLOSANA

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Chapter I

Chapter 1



Chapter I

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



It is with utmost pleasure and honour to present the 2017/18 Annual Report of the City of Matlosana.

The presentation of the Annual Report for the year under review on the occurrences of events during the year despite all the challenges experienced fills us, as an organization, with a great sense of pride and for that we applaud the commitment displayed by both the administration and political support and effort in ensuring the City of Matlosana lives by its forward – “Matlosana Pele”.

The compilation of this Annual Report is consistent with Section 121 of the Municipal Finance Management Act 56 of 2003 (MFMA) which stipulates that: “Every municipality and municipal entity must for each year prepare an annual report in accordance with its guidelines as provided for in Chapter 12 of the MFMA”.

The purpose of the annual report is to:

- ✚ Provide a record of the activities of the Matlosana Council during the financial year.
- ✚ Provide a report on performance against the budget of the Matlosana Council for the financial year reported on.
- ✚ Promote accountability to the local community for the decisions made throughout the year by the Municipality.

According to the MFMA, this Report should include:

- ✚ The annual financial statements of the Municipality submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA
- ✚ (b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with s45 (b) of the MSA; on the financial statements in (a) above;
- ✚ The annual performance report of the Municipality as prepared by the Matlosana Municipality in terms of section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);
- ✚ An assessment of the arrears on municipal taxes and service charges;
- ✚ An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year
- ✚ Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d).
- ✚ Recommendations of the Municipality's Audit Committee.

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This annual report of the City of Matlosana is compiled consistent with the legislative framework of Local Government Act (Section 83) and covers the financial year starting from 1 July 2017 to 30 June 2018.

The report is a reflection of the commitment made to the council and people of Matlosana to achieve a clean audit within this term of office. Importantly, the new administration was alive to the reality of the impact audit outcomes had on the ability of the municipality to raise capital on the open markets and from developmental financial institutions and was depressing to residents as a lot of misconceptions were ascribed to irregular expenditure as being theft.

The year 2017/18 was not short of challenges, with our financial system having been one of the greatest challenges but the relentlessness of our finance team and officials together with our Councillors, we saw us as an organization over coming this challenge and reaffirming our commitment to the betterment of the city and it is the community's livelihood.

The intent was restated in the mayoral draft budget speech delivered on 23 April 2018 and outlined amongst others the following:

- ✚ Improved audit outcomes
- ✚ Improved performance management and compliance.

The municipality set in systems and processes led by MMC Finance and his very able CFO to ensure that the above-mentioned objectives are insight. The outcome of all these endeavours resulted in the City of Matlosana achieving an unqualified audit opinion during this financial year under this review.

This feat has set a benchmark on which the Matlosana Municipality must judge itself against, and consistently maintain for reasons alluded earlier on.

Going forward it is imperative that both the administrative and political wings of the Matlosana Municipality should set the bar higher by complementing the compliance audit achievement with a positive value for money audit outcome.

To achieve both the unqualified audit opinion and a positive value for money audit outcome we have to consistently do the following:

- ✚ Maintain all systems and strategies that have delivered this unqualified audit opinion
- ✚ Strengthen and support the administrative wing to deliver services within shortest turnaround times
- ✚ Political wing actively engaging households and business on servicing their arrears and current rates and taxes accounts
- ✚ Active oversight role by politicians over administration on quality services delivery
- ✚ Review and redress all areas of concern and gaps that the Audit Committees and previous management reports that the Office of the AG has raised.

Completed Projects

- ✚ Upgrading Sewer Outfall line in Alabama/Jouberton (Ext 19)- R 2 826 682
- ✚ 4 Steel base structures of a new 20 MVA substation at Alabama (Phase 3) constructed - R14 513 255
- ✚ 12 High mast light installed at hot spot areas in Jouberton (Phase 2)– R 2 781 302
- ✚ 6 high mast lights in Alabama (Wards 3 & 4)(Phase 2B) installed – R 1 245 725

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- ✚ 7 high mast lights in Tigane (Wards 1 & 2) (Phase 4B) installed – R 1 901 546
- ✚ 951 Households in Alabama Ext 4 electrified - Phase 2 – R 3 105 671

Partnerships

During 2017/18, the municipality has closely worked with AGA (AngloGold Ashanti). AGA has assisted the city in achieving a number of positive result.

The mine has invested in the municipality the projected tabulated here under as part of the mines obligation in the mining charter and the Social & Labour Plans.

- ✚ Socio Economic Development in Matlosana Local Economic Development: R6.5m
- ✚ Enterprise Development : R1.9m
- ✚ Community Human Resources Development R21.9m
- ✚ Social and Institutional Development R1.5m
- ✚ Executive Mayors Matric Excellence Awards: R445 000

The municipality must extend this kind of partnership to other mines who have to contribute proportional to the scale of their operations

CONCLUSION

We are in the right direction of winning the battle, we have to be ready for the war on effective and efficient qualitative service delivery, doing right things the right way consistently. A journey of Thousand Miles has already been started with this first step.

The City of Matlosana will continue to ensure compliance with all relevant legislations, Treasury Regulations and directives and not only maintain our good audit outcomes but strive for even better results.

In conclusion, a word of encouragement has to go to our officials of the sterling work done. I believe the administration will be more galvanised to achieve new goals of positive compliance and value for money audit outcomes.

Thank you to all.



MME KGAILE
EXECUTIVE MAYOR

Chapter I

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003. It 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 2017/18 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 and Budget Implementation Plan of the City are aligned in spite of some challenges.

The following senior manager positions were filled on 01 February 2018: Director for Public Safety; Director Technical and Infrastructure; Director Community Development; Director Corporate Support.

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The positions of Director Local Economic Development and Director Planning and Human Settlement remained vacant due to no suitable candidates found after recruitment process. It is for that reason that we still have senior officials still acting in those positions and hopefully suitable candidates will be found in the new financial year.

Upon my appointment towards the end of the previous financial year, I developed some systems 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.

Our operating deficit is (R298 024 136) which is in excess of 5% of the operating revenue and the current liabilities exceeded the municipalities current assets by R316 630 088

The municipality has entered into payment arrangements with the major creditors (Eskom and Midvaal) to mitigate this issue and it has been largely able to meet the terms of the arrangements.

Management will appoint debt collectors early in the 2018/19 financial year as part of its financial recovery strategy with the aim to increase the debt recovery rate, which in turn will reduce the debt impairment and deficit. If this is implemented effectively, the municipality should be able to operate sustainably.

With the new team, focus was on being 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 rural and urban households with access to basic water services
- ✚ Provided 99% of urban households with access to basic sanitation services
- ✚ Provided 74% of rural households with access to basic sanitation services
- ✚ Provided 98% of urban households with access to basic electricity services
- ✚ Provided 56% of rural households with access to basic electricity services – mostly Eskom jurisdiction

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.

Our major setback in the year under review was the failure of the new financial system we procured for compliance with MSCOA. Vesta which is the Service Provider appointed through the Transversal Tender by National Treasury used the system called Phoenix and we experienced serious challenges with this system to the extent that we could not submit financial reports as expected therefor our collection rate dropped and payment of our creditors was adversely affected. This has been rectified by reverting to Venus (BCX).

Thank you 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

Chapter I

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. The council under any circumstances may not delegate these functions.

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.

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ABOUT THE CITY OF MATLOSANA

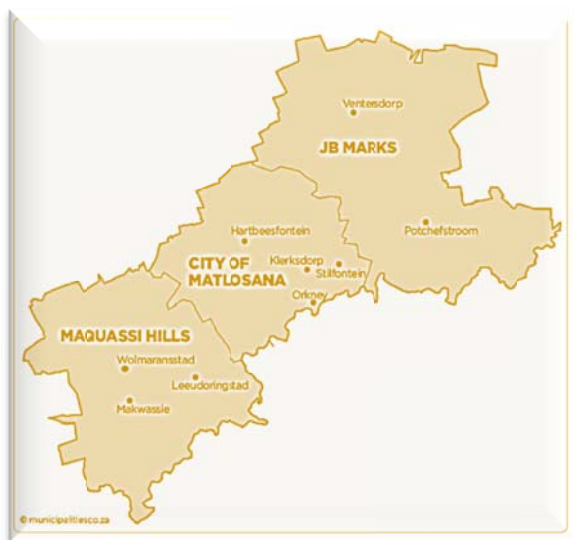
The Klerksdorp area was originally established and developed as a regional service centre between the gold mining areas in the Rand and the diamond mining fields in the Cape in the late 1800s. The first inhabitant of Klerksdorp was Hendrik Grobler (probably a hunter) who settled next to Skoonspruit on what was later to become the farm Elandsheuwel. In 1837, a group of 12 Voortrekker families settled on the banks of the Skoonspruit, 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.

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

In 1886, M.G. Janse van Vuuren discovered gold in the Klerksdorp District. 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 Municipal Demarcation Board, in terms of



section 4 of the Local Government Municipal Structures Act, 1998 classifies the City of Matlosana Local Municipality (previously City Council of Klerksdorp) as a category B1 municipality. The municipality 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.

It is the smallest of the three municipalities that make up the district, accounting for a quarter of its geographical area.

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.

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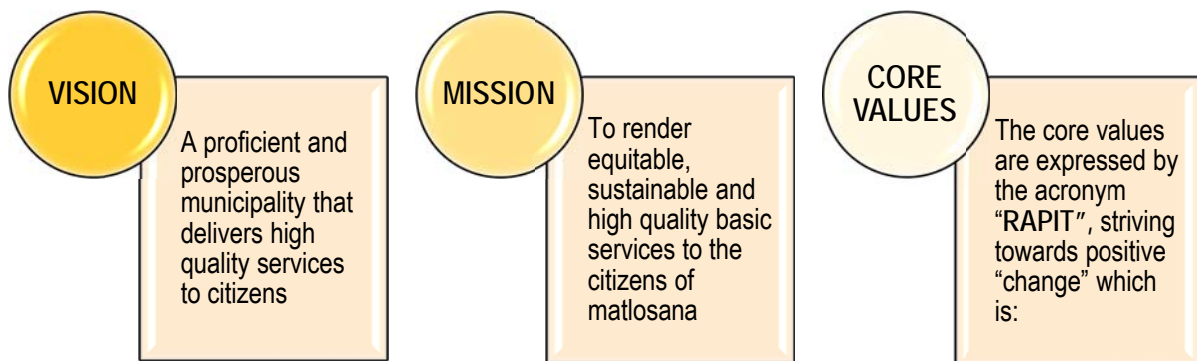
- ✚ Johan Naser Dam.
- ✚ Klerksdorp Museum.
- ✚ Goudkoppie Heritage Site.
- ✚ Fresh Produce Market.
- ✚ Old Cemetery.

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

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:



VALUES	OPERATING PRINCIPLE(S)
RESPECT	<ul style="list-style-type: none"> ✚ 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 collaborate 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

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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.

GEOGRAPHIC PROFILE

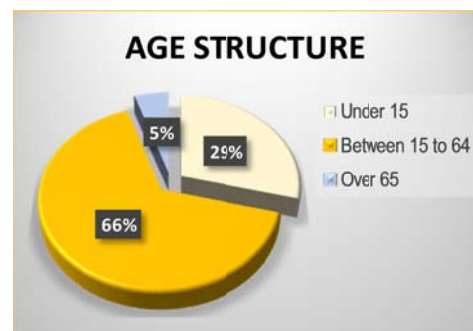
The municipal area of the City of Matlosana covers an area of 3 602km². The main economic sectors are mining, agriculture manufacturing, services, construction and transport. Klerksdorp has a semi-arid climate (*BSh/BSk*, according to the Köppen climate classification), with warm to hot summers and cool, 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/demographics/>) the City of Matlosana has a total population of 433 973 people, of whom 399 255 (92%) are urbanised and 34 718 (8%) are rural (mining villages form part of the urban areas). The largest population concentrations are in Jouberton (32%), Kanana, Khuma and Tigane, which represent 68% of the total urban population. The City of Matlosana has a population density of 120 persons per km².

Population and Age Structure

AGE STRUCTURE	NUMBER
Under 15	125 852
Between 15 to 64	286 422
Over 65	21 699
TOTAL	433 973



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

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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 through the implementation of Midvaal endpoint phase 1A. The Midvaal endpoint Phase 1A has been completed, although the new bulk water pipeline is not yet functional as the Phase 1B has just begun. Major challenges regarding burst water pipes have been experienced throughout the year due to non-functional Pressure Reducing Valves.

In liaison with private developers at least two trunk sewer lines have been provided to unlock, new developments in the area and City of Matlosana have been able to rehabilitate Orkney WWTW to improve the quality of effluent coming out the plant.

The provision of pedestrian bridge, safer storm-water drainage and road upgrades for communities is key to the safety of road users and residents.

Various rural communities were prioritised to receive access to water supplies during the year through all possible means, e.g. mobile water tanker and repairs of borehole generators.

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Service	2014/15	2015/16	2016/17	2017/18
Electricity service connections	164 436	164 694	165 743	168 125
Water - available within 200 m from dwelling	165 578	167 430	168 950	170 293
Sanitation - households with at least VIP service	163 612	165 974	168 483	169 723
Waste collection - kerbside collection once a week	163 612	164 644	165 277	166 309

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 wastewater treatment plants remains a challenge, and attempts were made by the SAPS to curb the problem.

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The City of Matlosana is dependent on rates and services income as well as 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.

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

FINANCIAL OVERVIEW: 2017/18			
			<i>R' 000</i>
Details	Original budget	Adjustment budget	Actual
Income:			
Grants	364 420	558 679	537 840
Taxes, levies and tariffs	2 446 120	2 446 120	1 693 195
Other	145 392	145 392	357 397
Sub-total	2 651 703	2 845 961	2 588 434
Less: Expenditure	2 972 946	2 972 946	2 886 458
Net total*	-321 244	-126 985	-298 024
* Note: surplus/(deficit)			

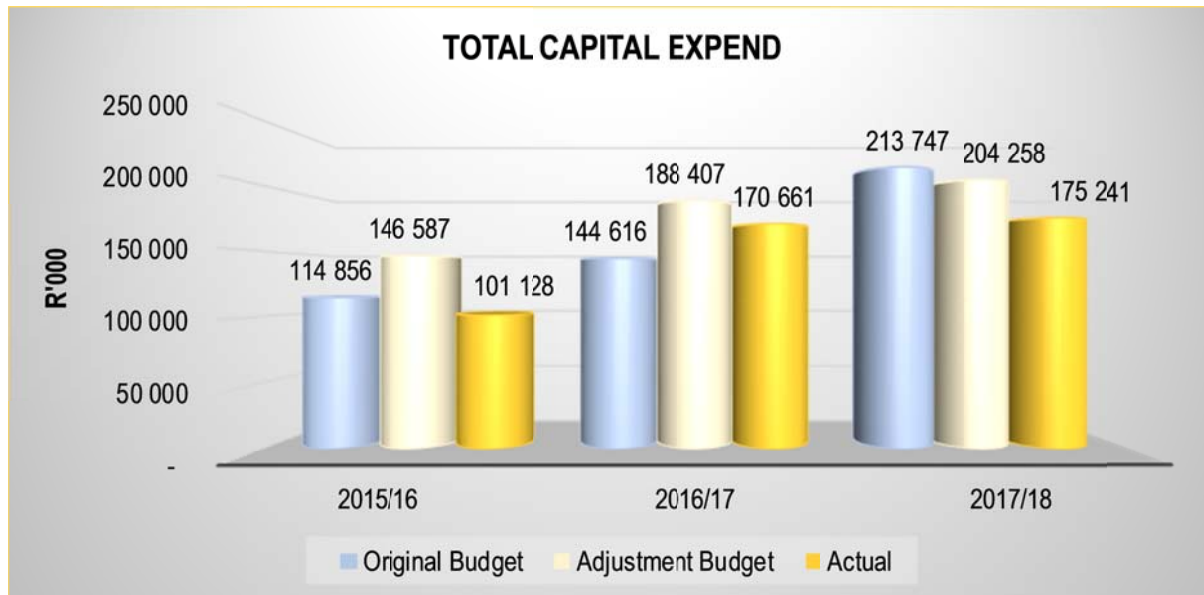
OPERATING RATIOS: 2017/18	
Detail	%
Employee cost	20%
Repairs and maintenance	2.6%
Finance charges and impairments	20%

COMMENTS ON OPERATING RATIOS

Employee cost at 20% is below the 30% norm due to the high vacancy rate that exists in the municipality. Repair and maintenance at 2% is far below the norm of 8% of total budget because of unaffordability. Finance charges and impairment at 20% is in line with the national norm.

TOTAL CAPITAL EXPENDITURE: 2015/16 TO 2017/18			
			<i>R'000</i>
Detail	2015/16	2016/17	2017/18
Original budget	138 927	144 616	213 747
Adjustment budget	143 005	173 941	204 258
Actual	112 943	170 661	160 308

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COMMENTS ON CAPITAL EXPENDITURE

Capital expenditure consist mainly of government grants. The unspent grants is as result of additional allocations that the municipality received in the second half of the year.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

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.

The status in terms of filling senior managers' positions

POST DESIGNATIONS	STATUS
Municipal Manager	Filled
Chief Financial Officer	Filled
Director Corporate Support	Filled
Director Community Development	Filled

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Director Public Safety	Filled
Director Technical and Infrastructure	Filled
Director Local Economic Development	Vacant
Director Planning and Human Settlements	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

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

Council at its Special Council meeting held on 13 December 2017 (CC195/2017) approved the appointment of the senior managers for the Directorate Corporate Support, Directorate Public Safety, Directorate Community Development and the Directorate Technical and Infrastructure with the commencement date of the new appointees on 1 February 2018.

The two positions of Director Planning and Human Settlements and Director Local Economic Development are still vacant as no suitable candidate could be sourced. The positions were re-advertised on 10 June 2018 in the national newspapers.

The remainder of the selection and appointment process as prescribed in 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) will unfold during the 2018/19 financial year.

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1.6 AUDITOR-GENERAL'S REPORT

AUDITOR-GENERAL'S REPORT: 2016/17

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 (2016/17), 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 2017/18 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.	January
14	Audited Annual Report is made public and representations are invited.	February
15	Oversight Committee assesses Annual Report.	February / March
16	Council adopts Oversight Report.	April
17	Oversight Report is made public.	
18	Oversight Report is submitted to relevant provincial councils.	March
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

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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. Timely submissions of the process flow and reports is recommended. 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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CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex 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 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 consists 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 Market

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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. She 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. She further 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

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEMBERS				
	CHAIRPERSON Cllr SPJ Bogatsu		MPAC develop its work programme (which must be approved by Council) annually and link such programmes to the overall planning cycle of council and conclude with the evaluation of the annual report and the recommendations to Council when adopting the Oversight Report on the Annual Report	
				
Cllr GA Mohoemang	Cllr LM Phakoe	Cllr SP Sesana	Cllr A Combrinck	
				
Cllr MN Seitisho	Cllr MC Mahlangu	Cllr JJ Le Grange	Cllr AN Ludidi	
				
Cllr S Nongqayi	Cllr SL Moremi	Cllr L Khoza	Cllr PT Horn	

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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 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 82.5%.

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

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policy directives of the Municipal Council and is responsible for the formation and development of an efficient, economic, effective and accountable administration. The Accounting Officer must further 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 approved by Council on 21 April 2017, which is in line with its strategic direction.

TOP ADMINISTRATIVE STRUCTURE	FUNCTIONS
MUNICIPAL MANAGER	<p>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. He is also responsible for 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.</p> <p>The Municipal Manager is further 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.</p>
DIRECTOR: CORPORATE SUPPORT	<p>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.</p>

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DIRECTOR: BUDGET AND TREASURY (CFO)	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 and supply chain management.
DIRECTOR: LOCAL ECONOMIC 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: TECHNICAL AND INFRASTRUCTURE	<p>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.</p> <p>The director is further 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.</p>
DIRECTOR: PLANNING AND HUMAN SETTLEMENTS	The director aims 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. As well as to eradicate the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs.
DIRECTOR: COMMUNITY DEVELOPMENT	<p>Directorate Community Development's mandate is to provide support and maintain community services in the following functional areas: Cleansing (Refuse removal, street cleansing, night soil and vacuum services); Parks & Recreation; Sports Arts and Culture; Libraries; Museums; Health and Environmental & Integrated Waste Management.</p> <p>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.</p>
DIRECTOR: PUBLIC SAFETY	The Director ensures effective traffic flow and road safety, minimising the risk of fire and disaster incidents and the provision of motor vehicle licensing, registration and testing to residents.

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

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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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 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.

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:

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- ✚ 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
- ✚ Performance Management / Monitoring and Evaluation Forum
- ✚ Planning and Development Forum
- ✚ Disaster Management Forum
- ✚ Local Economic Development Forum
- ✚ MPAC Forum
- ✚ Speaker's 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 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, 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. Public meeting schedules are made public through being advertised in local newspapers and loud hailing. The Chairperson also engage with the public on the unfolding processes of public participation through local radio stations.

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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. MPAC encourage submissions, receive inputs from various role players, and prepare Oversight Report for consideration by Council.

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 39 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.

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 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.

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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, 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			
Khuma	26 March 2017	14:00	Khuma stadium
Jouberton	18 June 2017	14:00	Brazil Stadium
Tigane	9 July 2017	14:00	Ext. 6 spots ground
Ward 18 Farms (Tigane)	08 April 2018	14:00	Palmietfontein Farm
Vaal Reefs Ward 21	27 May 2018	14:00	OR Tambo Community Hall
Alabama	10 June 2018	14:00	Alabama Stadium
BUDGET AND IDP CONSULTATIONS			
Klerksdorp	11 May 2018	10h00	Council Chamber
Stilfontein	7 May 2018	16h00	People's hall, Stilfontein
Klerksdorp	10 May 2018	16h00	Hartbeesfontein fire station
Kanana	9 May 2018	16h00	Samuel Mokati Hall, Kanana
Alabama	8 May 2018	16h00	Alabama Community Hall
Khuma	7 May 2018	16h00	Khuma Community Hall
Orkney	9 May 2018	16h00	Orkney Library
Tigane	10 May 2018	16h00	Tigane Hall
Jouberton	8 May 2018	16h00	Jouberton Community Hall
IDP REPRESENTATIVE FORUM MEETING			
Representative Forum Meeting	12 December 2017	10h00	Council Chamber
Representative Forum Meeting	11 May 2018	10h00	Council Chamber

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COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

In its preamble, the Freedom Charter (1955) cautions us “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 periods?	Yes
* Section 26 of the Local Government: Municipal Systems Act 2000, as amended	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

2.6 RISK MANAGEMENT

City of Matlosana has committed to a process of Risk Management that is aligned to the principles of good governance, as supported by the Municipal Finance Management Act (MFMA) No 56 of 2003, thereby ensuring a

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

The underlying premise of risk management is that every municipality exist to provide value for its stakeholders as prescribed by the constitution. Such value is based on the quality of service delivery to the citizens. All municipalities face uncertainty, and the challenge for management is to determine how much uncertainty the municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value.

The role of risk management in City of Matlosana is to assist the municipality to achieve its objectives. There is an increasingly common understanding in all organisations of the need to manage risks. If the Municipal Council and management are to achieve their objectives, any risks that may impact on the achievement thereof will need to be considered and managed proactively according to the degree of probability or likelihood that they will arise and the possible consequence of such a risks.

Effective risk management assists municipalities to achieve their performance and service delivery targets, and to reduce the potential loss of resources. This is only possible if risk management becomes a part of municipal culture. It should also be a part of everything that a municipality does, its mission, vision, values, strategic planning, business process design and operations. Risk management cannot be viewed or practiced as a separate activity.

During the financial year 2017/18, 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, which are reviewed annually:

- ✚ 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 yet to be adopted by council. The Municipality maintains its Strategic Risk Register, as well as departmental Operational Risk Registers. The following were identified as the top ten (10) risks of the municipality in terms of the residual risk values of the risks being the highest at 25;

- ✚ Failure to spend allocated conditional grants within a financial year due to slow conclusion of SCM processes.
- ✚ Failure to perform key financial performance areas due high dependence on consultants.
- ✚ Failure to safeguard council assets due to ineffective security measures.
- ✚ Failure to achieve the objectives of the municipality due to lack of Human Resource Management strategy.
- ✚ Failure to manage municipal fleet due to ineffective control system of fleet management.
- ✚ Failure to identify and manage reputational risks due to lack of good governance. e.g. Cleanliness of the city, poor service delivery, dilapidated infrastructure, good financial management, repetitive audit findings and unfavourable audit opinion, etc.
- ✚ Failure to provide a safe working environment due to non-compliance with Occupational Health and Safety (OHS) Act.
- ✚ Failure to effectively manage unauthorised, irregular, fruitless and wasteful expenditure due to non-compliance with SCM policies and procedures.

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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. The term of one committee ended during the financial year and the new committee had two meetings before the end of financial year. 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:

QUARTER 1 & 2

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
Ms L Mosoetsa*	Chairperson	2	2
Mr JJ Pilusa	Member	2	1
Mr M A Khuzwayo	Member	2	1
Mr ND Ciya	Member	2	1
Mr G Ramorwesi	Member	2	0
Mr SP Phala	Member	2	0
Ms J Masilo	Member	2	0

QUARTER 3 & 4

MEMBER	POSITION	SCHEDULED MEETINGS	ATTENDED
*Mr MJ Ramakgolo	Chairperson	2	2
Ms M Molawa	Member	2	1
Ms L Seametso	Member	2	2
Mr G Ramorwesi	Member	2	2
Mr R Madimutsa	Member	2	2
Mr SP Phala	Member	2	2
Mr AK Khuzwayo	Member	2	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 aligned with the anti-corruption strategy of

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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 the Fraud Response Plan, the Fraud Prevention Policy and a Fraud Prevention Plan still to be adopted by Council. In these documents, there is guidance regarding the prevention and the detection of fraud and corruption to ensure those 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 2017/18

BY-LAWS INTRODUCED DURING 2017/18					
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
	Parking Meter by-law	Yes	Local Newspapers on 29 June 2018 & Prov. Gazette on 5 July 2018	No	N/A

COMMENT ON BY-LAWS

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

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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:

BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE			
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
Electricity By-law	No. 7749 Notice 32	CC25/2017 dated 31 January 2017	Finalised
DIRECTORATE: CORPORATE SUPPORT			
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: BUDGET AND TREASURY			
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: 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
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/ In process of review
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

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BY-LAWS OF THE CITY OF MATLOSANA			
BY-LAW	PROVINCIAL GAZETTE NUMBER	COUNCIL RESOLUTION (ADOPTED)	STATUS
DIRECTORATE: COMMUNITY DEVELOPMENT			
Cemetery By-Laws	No. 5957 Notice 398	CC 56/2003 dated 30 September 2003	Finalised
Faan Meintjes 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
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: LOCAL ECONOMIC DEVELOPMENT			
Preferential Procurement By-law	No. 5957 Notice 403	CC 56/2003 dated 30 September 2003	Finalised
Fresh Produce Market By-Law	No. 5957 Notice 397	CC 56/2003 dated 30 September 2003	Finalised
DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS			
Building and Outdoor Advertising By-Laws	No. 5957 Notice 396	CC 56/2003 dated 30 September 2003	Finalised
SPLUMA	No. 7622 Notice 31	ADMIN 365/2015	Finalised

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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:

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	10 June 2018
All current budget-related policies	Yes	10 June 2018
The previous Annual Report (2016/17)	Yes	03 February 2018
The Annual Report (2017/18)	N/A	To be published on approval
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)	Yes	17 November 2017
All supply chain management contracts above a prescribed value (give value) for (2016/17)	No	
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	No	
Public-private partnership agreements referred to in Section 120 entered into (2016/17)	No	
All quarterly reports tabled in the Council in terms of Section 52 (d) during (2016/17)	No	

MUNICIPAL WEBSITE COMPLIANCE

This municipal website serves as an integral part of the City of Matlosana Local Municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

RELEVANT LEGISLATION

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

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

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COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Easy online access to municipal information is obtained thru the official website of the City of Matlosana Local Municipality at www.matlosana.gov.za. A wide range of information that is useful to all the stakeholders are published on this official website.

A dedicated web developer continuously updates the contents of the official website. The wide range of information that is published on the website are the following –

- ✚ Notices, articles and stories by the Communications Section;
- ✚ Bid Documents (Tenders), Quotations Adverts, Regulation 32 Awards, Regulation 36 Awards and Contracts by the Supply Chain Management Section;
- ✚ Annual and Adjustments Budgets, all Budget-Related Documents, Budget-Related Policies and Tariffs by the Budget Section;
- ✚ Service Delivery and Budget Implementation Plan, Annual Report, Performance Agreements and Contract of Employments for Section 56 Managers, Budget and Performance Assessment Report by the Performance Management Section;
- ✚ External advertisements of vacant positions that need to be filled by qualified, skilled and competent applicants by the Human Resource Section,
- ✚ Oversight Report by the MPAC Committee; and
- ✚ Other documents such as Policies and By-laws by the Corporate Administration Section.

These documents are published on the official website to reach one of the objects of Local Government, which is to provide a democratic and accountable government for local communities.

During the first quarter of the 2017/18 financial year the contact details of various Directorates were updated.

During the second quarter of the 2017/18 financial year – information regarding the Global Investors Conference that was held in Klerksdorp and various vacancies were published on the official website.

During the third quarter of the 2017/18 financial year – a link to the Pre-paid Electricity Vending Website was published on the official website.

During the fourth quarter of the 2017/18 financial year – the Access to Information Manual (PAIA), various vacancies and the Municipal Supplementary Valuation Roll were published 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.

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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 shantytowns (Statistics South Africa, Census 2011).

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COMPONENT A: BASIC SERVICES

This component includes water; wastewater (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 (delete), Water Section, Sanitation Section, Roads and Storm-water Section, as well as Electrical Section.

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. The City of Matlosana is entered into a 3-year contract with Midvaal Company for the supply of bulk water in the Matlosana area.

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

- ✚ 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;
- ✚ to reduce water losses from 35% to 15% in the next 5 years;
- ✚ to achieve 95% blue drop status in the 2017/18 financial year.

Challenges

- ✚ Lack of vehicles within the Section;
- ✚ delays in reviewing the out dated organogram;
- ✚ delays in the procurement of services and materials;
- ✚ inadequate budgeting for maintenance;
- ✚ high levels of vandalism impede a sustainable water supply to the communities;
- ✚ aged infrastructure.

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.

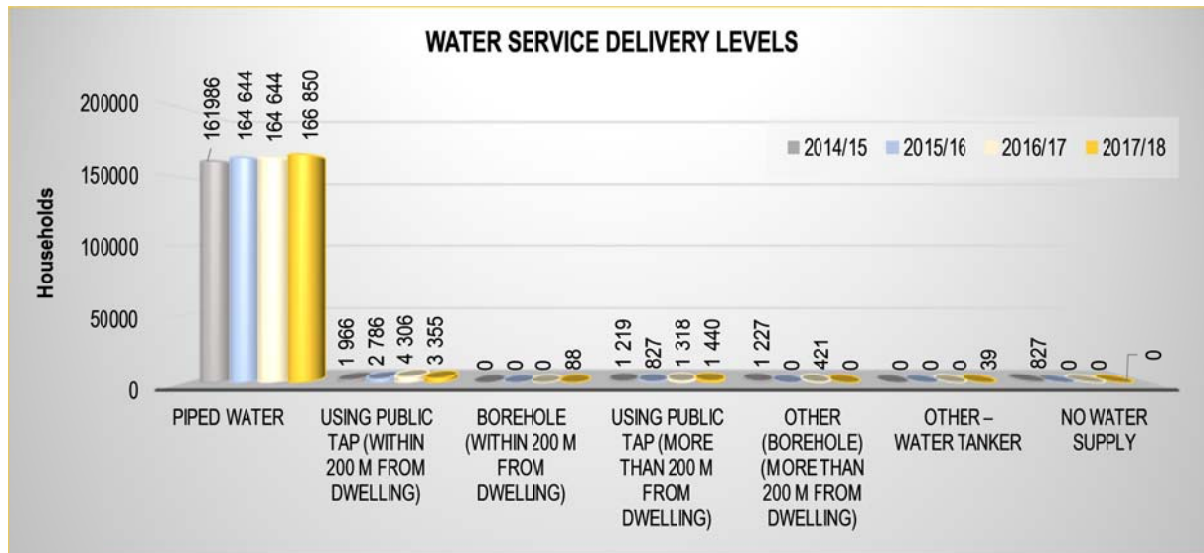
TOTAL USE OF WATER BY SECTOR (KILOLITRE)					
Year	Commercial	Other	Industrial	Domestic	Unaccountable Water Losses
2014/15	109 150	91 200	2 893 119	15 489 600	12 348 401*
2015/16	600 000	45 174	11 826	23 652 000	8 541 000
2016/17	609 075	36 545	12 100	19 644 780	12 547 500
2017/18	2 672 963	821 653	87 194	14 795 658	12 560 100

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

COMMENT ON WATER USE BY SECTOR

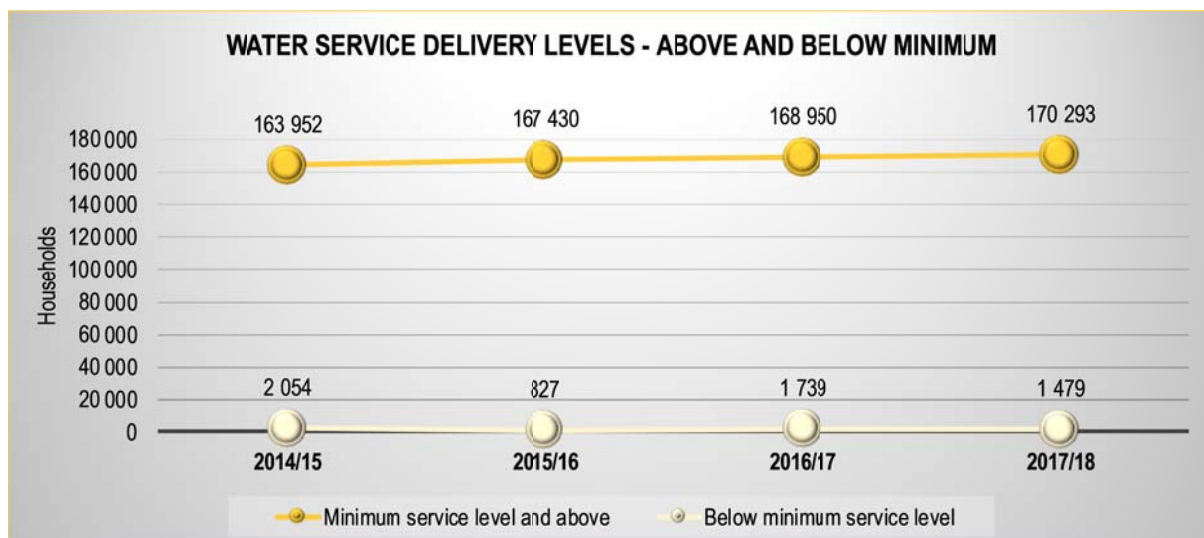
Plans are in place to ensure that sufficient capacity is available for the increased demand arising from the growing townships of Alabama, Jouberton and Hartbeesfontein and Tigane areas. The commencement of Alabama Bulk Water Supply Phase 3B and water supply from Midvaal endpoint has been realised. The Midvaal End Point Phase 1A has been completed by 30 June 2018 and Phase 1B started on 8 June 2018.

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WATER SERVICE DELIVERY LEVELS				
Households				
Description	2014/15	2015/16	2016/17	2017/18
	Actual	Actual	Actual	Actual
Water: (above minimum level)				
Piped water	161 986	164 644	164 644	166 850
Using public tap (within 200 m from dwelling)	1 966	2 786	4 306	3 355
Borehole (within 200 m from dwelling)	-	-	-	88
<i>Minimum service level and above – sub-total</i>	163 952	167 430	168 950	170 293
<i>Minimum service level and above – percentage</i>	98%	99%	99%	99%
Water: (minimum and below minimum level)				
Using public tap (more than 200 m from dwelling)	1 219	827	1 318	1 440
Other (Borehole) (more than 200 m from dwelling)	1 227	0	421	0
Other – Water tanker	-	-	-	39
No water supply	827	0	0	0
<i>Below minimum service level – sub-total</i>	2 054	827	1 739	1 479
<i>Below minimum service level – percentage</i>	2%	1%	1%	1%
TOTAL HOUSEHOLDS*	167 225	168 257	170 689	171 772

* - Total include informal settlements



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WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2015/16	2016/17	2017/18		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	164 644	164 644	166 938	166 938	166 938
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	6 045	4 834	4 834	4 834
Households below minimum service level	827	1 739	4 834	4 834	4 834
<i>Proportion of households below minimum service level</i>	<i>22.89%</i>	<i>28.77%</i>	<i>100%</i>	<i>100%</i>	<i>100%</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
2014/15	166 797	163 612	167 225
2015/16	168 257	167 430	168 257
2016/17	170 689	168 950	170 689
2017/18	171 772	170 293	171 772

EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	3	3	2	1	33%
7 - 9	6	7	6	1	14%
10 - 12	14	16	15	1	6%
13 - 15	15	18	15	3	17%
16 - 18	7	18	6	12	67%
19 - 20	61	62	62	0	0%
Total	106	125	106	19	15%

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FINANCIAL PERFORMANCE 2017/18: WATER SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Expenditure	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	498 002	642 197	642 197	539 848	-19%
Expenditure					
Employees	30 774	27 393	27 393	32 968	17%
Repairs and maintenance	6 787	16 193	16 193	11 279	-44%
Other	365 901	497 225	497 225	434 686	-14%
Total Operational Expenditure	403 462	540 811	540 811	478 933	-13%
<i>Net Operational Expenditure</i>	<i>94 540</i>	<i>101 386</i>	<i>101 386</i>	<i>60 915</i>	

COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

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.

Due to non-function reducing pressure valves the distribution experience a lot of water pipe burst and without adequate capacity to attend to burst pipes it contribute also towards the high water losses.

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 page 233 for details.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 144 & 149)

WATER SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Actual	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure basic water services to the community	Bulk water supply improved with a number of water pressure tower constructed for Alabama / Manzilpark (Phase 3B)	Pipe work completed and the reservoir is outstanding. R9 993 080	Site established, excavations and foundations completed R6 639 203	Elevating one bulk water 2 Mℓ pressure tower supplied for Alabama / Manzilpark (Phase 3B) by June 2018 R16 026 701	Constructing a 29 shaft lift in preparation of one bulk water 2 Mℓ pressure tower in Alabama / Manzilpark (Phase 3B) by June 2018 R 8 720 348	Up to shaft 23 completed R7 075 859	R629 039 (Roll-over) R16 847 565
To improve water supply from Midvaal end point to Jouberton and Alabama to increase the water supply capacity to the community	Number of pipeline for water supply from Midvaal end point to Jouberton and Alabama constructed	Payment finalized R2 434 478	Contractor appointed and site establishment completed R14 705 738	Constructing one 2.5 km of 600mm diameter uPVC pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A) by June 2018 R26 160 454	Constructing one 2,41 km of 800mm diameter oPVC and 0.09 km of 800mm diameter HDPE pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A) by June 2018 R72 250 230	2.5 km of 800 diameter pipe laid. Project completed R59 769 461	R3 842 308 (Roll-over) R29 900 919

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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, businesses and the industries;
- ✚ maintain a sewer network system and to plan for future upgrades and monitor the construction of 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; operation and maintenance of all the sewage pump-stations in the jurisdiction of the municipality;

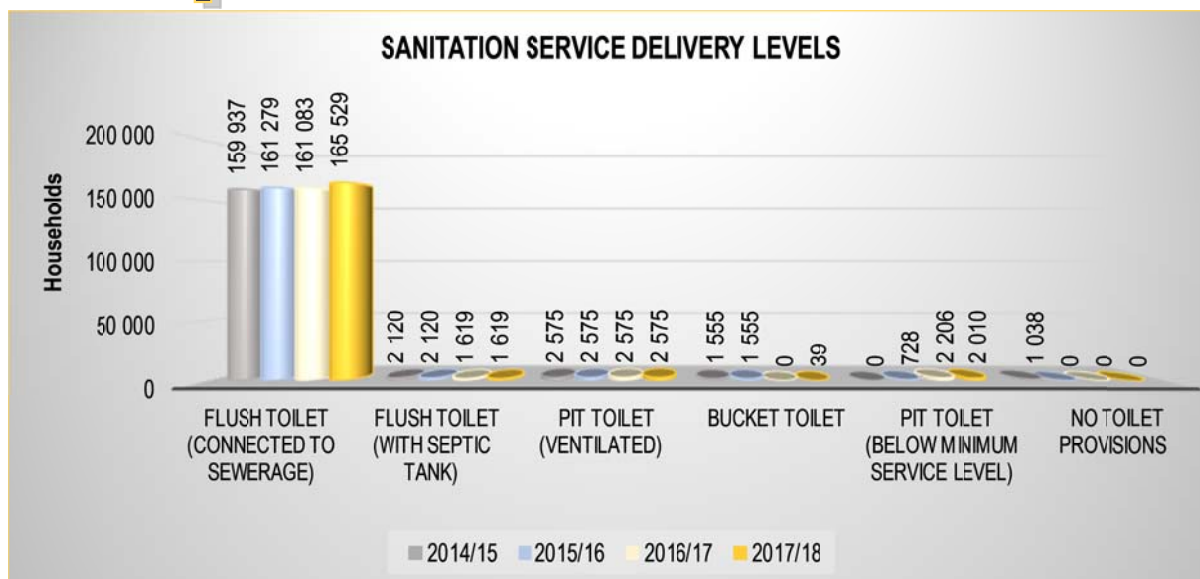
As part of the Green Drop achievement goal, the section is currently making improvements to the refurbishment of the Waste-Water Treatment Plants as per the outcome of PAT feedback by DWS (Department: Water and Sanitation).

OBJECTIVE

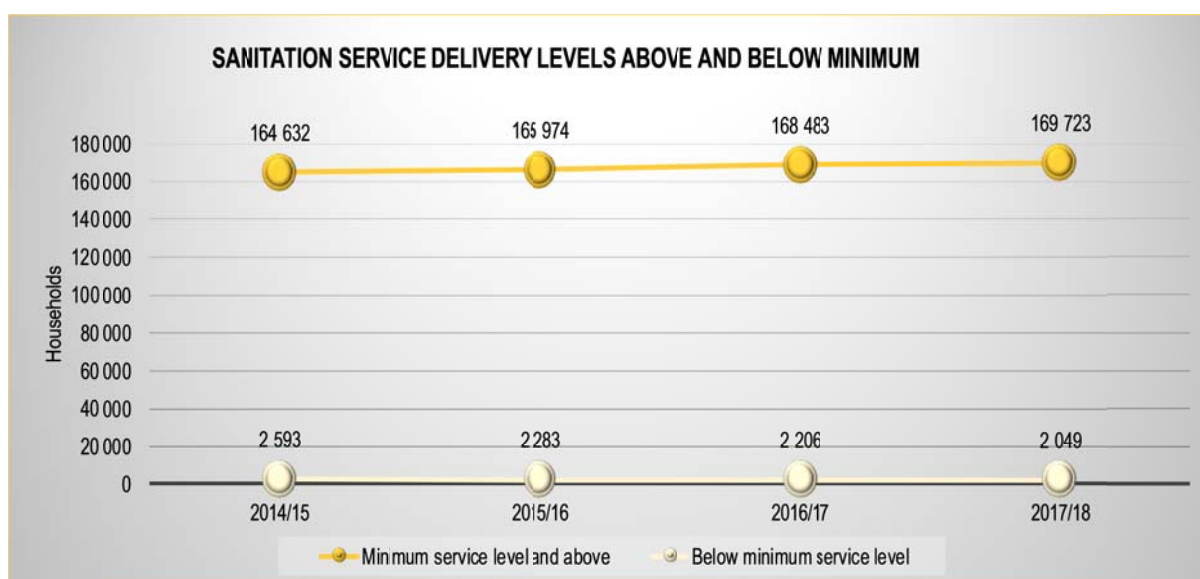
To be the best municipality in the North West in terms of Green Drop status achievement which is awarded by the National Department of Water and Sanitation and on rendering uninterrupted service delivery to the community and future developments.

SANITATION SERVICE DELIVERY LEVELS				
Households				
Description	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual
<u>Sanitation/Sewerage:</u> (above minimum level)				
Flush toilet (connected to sewerage)	159 937	161 279	161 083	165 529
Flush toilet (with septic tank)	2 120	2 120	1 619	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>	<i>164 632</i>	<i>165 974</i>	<i>168 483</i>	<i>169 723</i>
<i>Minimum service level and above – percentage</i>	<i>98%</i>	<i>99%</i>	<i>99%</i>	<i>99%</i>
<u>Sanitation/Sewerage:</u> (below minimum level)				
Bucket toilet	1 555	1 555	0	39
Pit toilet (below minimum service level)	0	728	2 206	2 010
No toilet provisions	1 038	0	0	0
<i>Below minimum service level – sub-total</i>	<i>2 593</i>	<i>2 283</i>	<i>2 206</i>	<i>2 049</i>
<i>Below minimum service level – percentage</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>
TOTAL HOUSEHOLDS*	167 225	168 257	170 689	171 772
* - Total include informal settlements				

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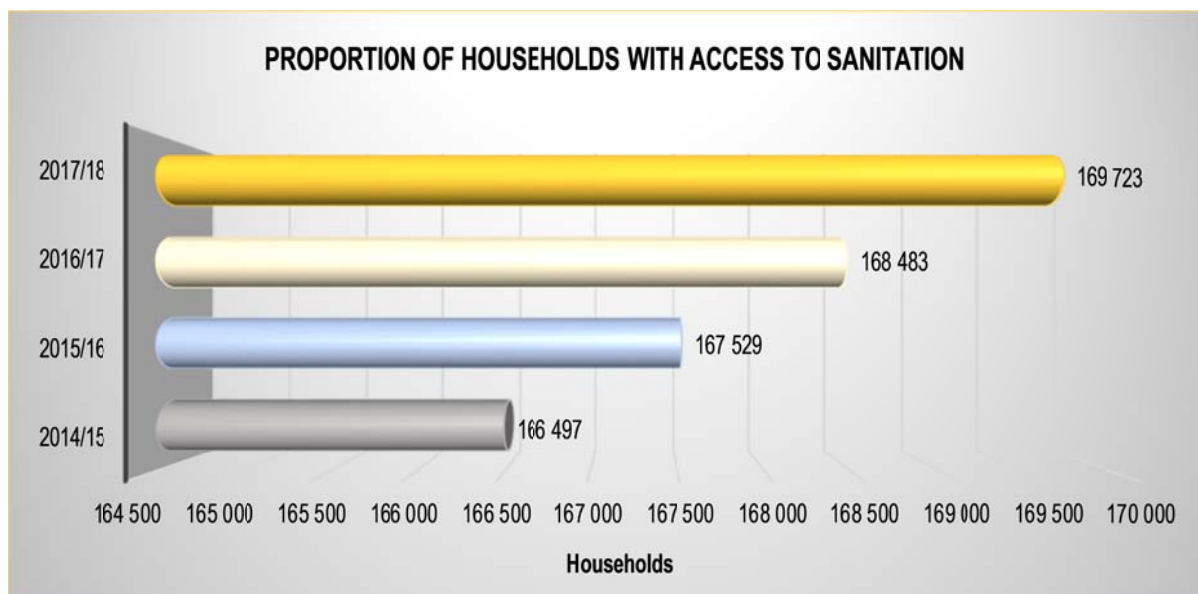


SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2015/16	2016/17	2017/18		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	164 954	165 277	167 148	167 148	167 148
Households below minimum service level	15	0	0	0	0
<i>Proportion of households below minimum service level</i>	<i>0.01%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Informal settlements					
Total households	3 613	5 412	4 624	4 624	4 624
Households below minimum service level	3 533	2 206	2 049	2 049	2 049
<i>Proportion of households below minimum service level</i>	<i>97.79%</i>	<i>40.76%</i>	<i>44.31%</i>	<i>44.31%</i>	<i>44.31%</i>



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ACCESS TO SANITATION	
Year	Proportion of households with access to sanitation
2014/15	166 497
2015/16	167 529
2016/17	168 483
2017/18	169 723



EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES					
Job Level	2016/17	2017/18			
	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	6	1	14%
10 - 12	16	21	16	5	24%
13 - 15	5	7	5	2	29%
16 - 18	39	46	35	11	24%
19 - 20	85	85	85	0	0%
Total	155	170	150	20	12%

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FINANCIAL PERFORMANCE 2017/18: SANITATION SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	119 925	176 092	176 092	116 140	-52%
Expenditure					
Employees	38 468	38 312	38 312	39 958	4%
Repairs and maintenance	14 779	13 132	13 132	12 302	-7%
Other	56 735	129 823	129 823	88 985	-46%
Total Operational Expenditure	109 982	181 267	181 267	141 245	-28%
<i>Net Operational Expenditure</i>	<i>9 943</i>	<i>-5 175</i>	<i>-5 175</i>	<i>-25 105</i>	

COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

Service delivery performance has not been to the required standard due to critical shortage of resources like vehicles and staff. These shortages have resulted in frequent blockages of the sewer system which is exposing the community to serious health hazards.

The following multi-year project implementation was successfully progressing and one of the project has been completed :

- ✚ Upgrading of sewer network Khuma North East – R6 342 635 (Multi Year)
- ✚ Upgrading Sewer Outfall line in Alabama/Jouberton (Ext 19)- R 2 826 682 (Completed)

NATIONAL KEY PERFORMANCE INDICATOR

See pages 233 - 234 for details.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 145 – 146 & 149)

WASTE WATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To upgrade the sewer outfall line Alabama /Jouberton (Ext 19) in order to handle the load during peak hours and the discharge from Jouberton and surrounding areas before the effluent is discharged and treated at the Klerksdorp treatment Plant	Length of sewer outfall line in Alabama /Jouberton (Ext 19) upgraded	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	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	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. Contraction of nine 1000 mm Concrete Manholes and ten 1250 mm concrete manholes and connection to the waste water treatment plant in Alabama /Jouberton (Ext 19) by June 2018 R3 251 022	N/A	Excavation, laying and back filling of 0.4km (length) of 600 mm diameter uPVC pipeline (total 0.8km); Construction of 4 × 1000 mm (depth) concrete manholes, 9 × 1 250 mm (depth) concrete manholes and connection to the waste water treatment plant. Project completed as per scope R 2 826 682	N/A

Chapter 3

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.

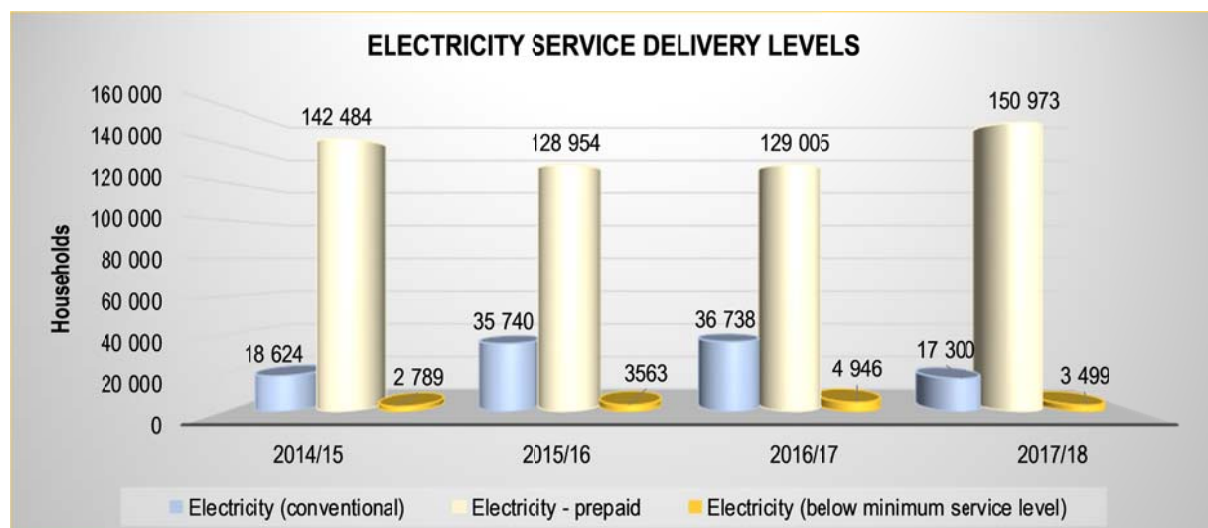
The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana.

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%.

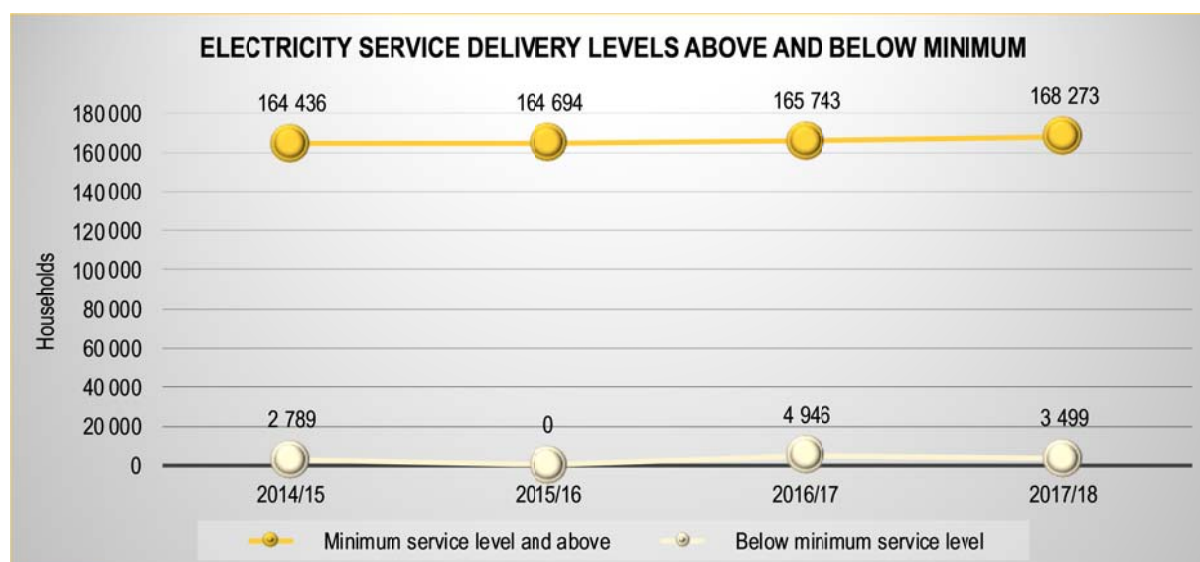
With reference to the vision and mission of the Directorate Electrical and Mechanical Engineering to ensure a high quality of electrical supply in its licensed area, including uninterrupted electrical supply and proper public lighting (high masts and streetlights) the directorate faces the following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



Chapter 3

ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS				
Households				
Description	2014/15	2015/16	2016/17	2017/18
	Actual	Actual	Actual	Actual
Energy: (above minimum level)				
Electricity (at least minimum service level) (conventional)	18 624	35 740	36 738	17 300
Electricity - prepaid (minimum service level)	142 484	128 954	129 005	150 825
<i>Minimum service level and above subtotal</i>	<i>164 436</i>	<i>164 694</i>	<i>165 743</i>	<i>168 125</i>
<i>Minimum service level and above percentage</i>	<i>98%</i>	<i>98%</i>	<i>97%</i>	<i>98%</i>
Energy: (below minimum level)				
Electricity (< minimum service level)	2 789	3 563	4 946	3 647
<i>Below minimum service level sub-total</i>	<i>2 789</i>	<i>3 563</i>	<i>4 946</i>	<i>3 647</i>
<i>Below minimum service level percentage</i>	<i>2%</i>	<i>2%</i>	<i>3%</i>	<i>2%</i>
TOTAL HOUSEHOLDS*	167 225	168 257	170 689	171 772
* - Total include informal settlements				



ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM					
Households					
Description	2015/16	2016/17	2017/18		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	164 974	165 743	167 325	167 325	167 325
Households below minimum service level	1 529	0	148	148	148
<i>Proportion of households below minimum service level</i>	<i>0.9%</i>	<i>0%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>
Informal settlements					
Total households	3 283	4 946	4 447	4 447	4 447
Households below minimum service level	2 034	4 946	3 499	3 499	3 499
<i>Proportion of households below minimum service level</i>	<i>61.9%</i>	<i>100%</i>	<i>79%</i>	<i>79%</i>	<i>79%</i>

Chapter 3

EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	4	3	1	25%
4 – 6	10	11	10	1	9%
7 – 9	41	47	40	7	15%
10 - 12	9	13	11	2	15%
13 - 15	8	9	8	1	11%
16 - 18	22	32	21	11	34%
19 - 20	36	36	36	0	0%
Total	129	152	129	23	15%

FINANCIAL PERFORMANCE 2017/18: ELECTRICAL AND MECHANICAL ENGINEERING					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	729 989	861 685	861 685	696 540	-24%
Expenditure					
Employees	39 523	44 434	44 412	42 721	-4%
Repairs and maintenance	23 497	33 347	33 347	22 409	-49%
Other	652 653	780 626	782 180	666 570	-17%
Total Operational Expenditure	715 673	858 407	859 939	731 700	-18%
Net Operational Expenditure	14 316	3 278	1 746	-35 160	

ELECTRICITY LOSSES

Electricity losses at the end of the financial year 2017/18 stood at 16 %. The losses constitute 11% of non-technical losses and 5% of technical losses.

Although this is within the stipulated acceptable level of losses as per NERSA standards, the City of Matlosana municipality still needs to implement a develop 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

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Ageing infrastructure

Proposed strategy:

Ring-fence capital contribution funds for upgrading purposes. Develop a business plan to be used source funding from potential investors.






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 2018/19 financial year as cash-backed project as required by the National Treasury. The report on the project to be implemented will be submitted to NERSA and Council.

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 completed appointed auditing of normal meters in all households of Jouberton and Alabama. The process will continue in KOSH areas subject to availability of funding.

Replacement of damaged and obsolete pre-paid meters

The municipality had appointed a service provider for replacement of all damaged and obsolete pre-paid meters (magnetic type meters). The process of replacement of tempered meters is to be continuing Subject to securing of funds.

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.

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- 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 and installation of sixty (60) 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.

COMMENTS ON THE PERFORMANCE OF ELECTRICAL SERVICES OVERALL

The sub-directorate has been able to complete all capital projects under its management. There has been challenges in implementing maintenance due to material shortages and lack of equipment (vehicles). The sub-directorate 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. There is a need for the municipality to invest in infrastructure upgrading or refurbishment in order to reduce technical losses. There is a need as well for the municipality to work hand-in-hand with the community to reduce vandalism of electricity infrastructure, theft of electricity and development of technical personnel to enhance municipal performance.

NATIONAL KEY PERFORMANCE INDICATOR

See page 234 for details.

Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 149 - 151)

ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To install high mast lights in Tigane to better service delivery (Phase 4B)	Number of Tigane high mast Lights (Phase 4B)	New project	Erection of steel structures completed. 8 High mast light installed - electrical reticulation and commission R1 534 304	Installing 7 high mast lights in Tigane (Wards 1 & 2) (Phase 4B) by June 2018 R2 254 808	N/A	7 High mast light installed - electrical reticulation and commission. R 1 901 546	N/A
To install high mast lights in Alabama (Phase 2B) to better service delivery	Number of Alabama High Mast Lights (Phase 2B)	New project	16 High mast light installed - electrical reticulation and commission R3 433 166	Installing 6 high mast lights in Alabama (Wards 3 & 4)(Phase 2B) by June 2018 R2 049 560	R2 049 637	6 High mast light installed - electrical reticulation and commission. R 1 245 725	R685 084 (Roll-over)
To construct steel base structures of a new MVA substation at Alabama (Phase 3) to maintain the current infrastructure and to cater for the increased effluent demand	Number of steel base structures of a new 20 MVA substation at Alabama (Phase 3) constructed	New project	Contractor appointed. Site construction 90 % completed Substation 30 % completed R 4 186 798	Constructing 4 steel base structures of a new 20 MVA substation at Alabama (Phase 3) by June 2018 R10 500 000	R16 000 000	4 Steel base structures constructed. R14 513 255	R22 000 000

Chapter 3

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 Refuse Removal 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. Cleaning of Illegal Dumping's in the Matlosana area and the rendering of a Street Cleansing services in all CBD's and all main roads within the Matlosana area.

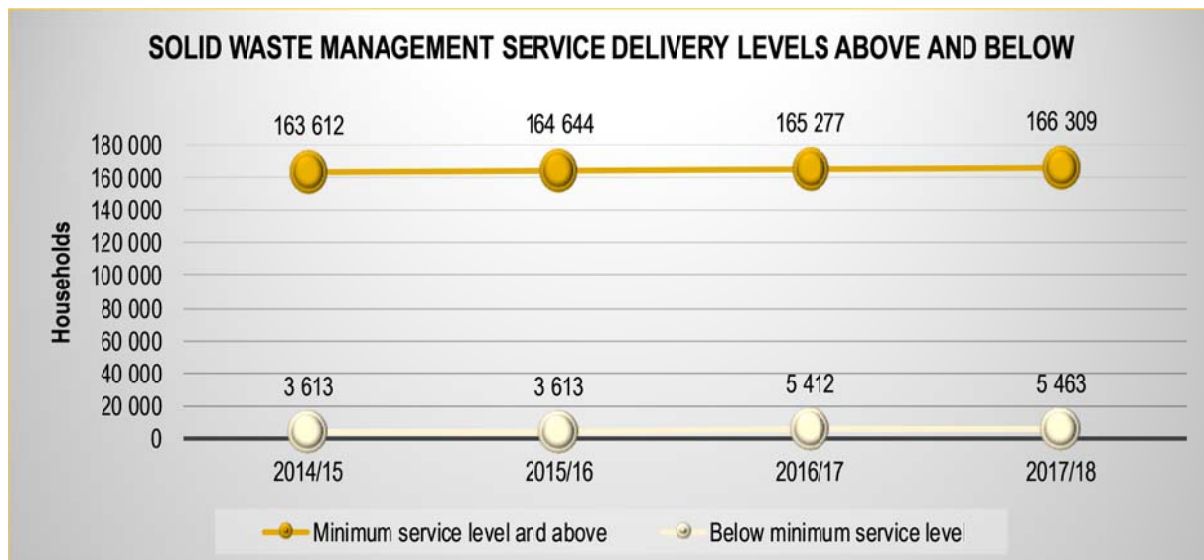
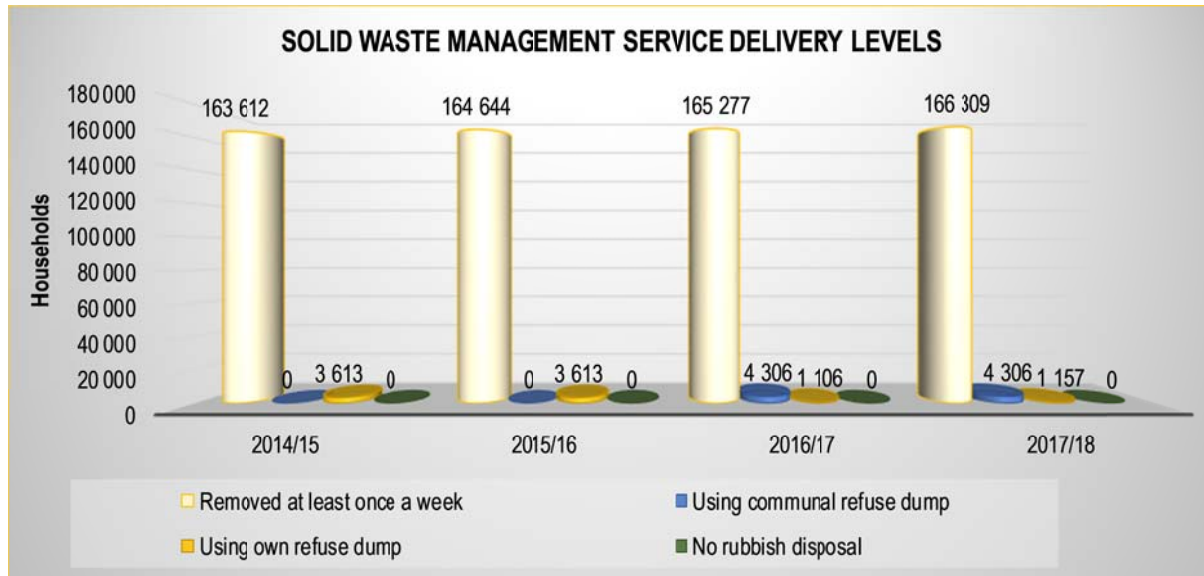
Strategic objectives are to:

- ✚ 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.

WASTE COLLECTED AT DUMPING SITES		
2015/16	2016/17	2017/18
96 000 tons	103 000 tons	115 000 tons

SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS				
Households				
Description	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual
<u>Solid Waste Removal:</u> (minimum level)				
Removed at least once a week	163 612	164 644	165 277	166 309
<i>Minimum service level and above sub-total</i>	163 612	164 644	165 277	166 309
<i>Minimum service level and above percentage</i>	97.84%	97.84%	97.00%	97%
<u>Solid Waste Removal:</u> (below minimum level)				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	0	0	4 306	4 306
Using own refuse dump	3 613	3 613	1 106	1 157
No rubbish disposal	0	0	0	0
<i>Below minimum service level – sub-total</i>	3 613	3 613	5 412	5 463
<i>Below minimum service level – percentage</i>	2.16%	2.2%	3.00%	3.00%
TOTAL HOUSEHOLDS*	167 225	168 257	170 689	171 772
* - Total includes informal settlements				

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SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
Households					
Description	2015/16	2016/17	2017/18		
	Actual	Actual	Original	Adjusted	Actual
Formal settlements					
Total households	164 644	165 277	167 260	167 260	167 260
Households below minimum service level	0	0	951	951	951
<i>Proportion of households below minimum service level</i>	<i>0%</i>	<i>0%</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.01%</i>
Informal settlements					
Total households	3 613	5 412	4 512	4 512	4 512
Households below minimum service level	3 613	5 412	4 512	4 512	4 512
<i>Proportion of households below minimum service level</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

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EMPLOYEE INFORMATION

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
Job Level	2016/17	2017/18			
	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	7	1	13%
10 - 12	21	24	20	4	17%
13 - 15	18	36	20	16	44%
16 - 18	6	11	8	3	27%
19 - 20	277	328	252	76	23%
Total	333	412	312	100	24%

FINANCIAL PERFORMANCE 2017/18: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING)					
<i>R'000</i>					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	146 555	216 241	216 241	153 884	-41%
Expenditure					
Employees	53 245	54 599	54 599	55 315	1%
Repairs and maintenance	6 772	5 575	5 575	22 928	76%
Other	27 463	81 999	81 999	57 069	-44%
Total Operational Expenditure	87 480	142 173	142 173	135 312	-5%
Net Operational Expenditure	59 075	74 068	74 068	18 572	

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 page 235 for details.

Chapter 3

3.5 HUMAN SETTLEMENTS

INTRODUCTION OF HUMAN SETTLEMENTS

Housing provision is the function Directorate Planning & Human Settlements and is managed by the Housing Services Unit.

The Housing Services Unit through its facilitation role ensures that the RDP houses are built accordingly to approve building plans and the correct beneficiaries are allocated their houses as soon as they are completed in order to avert vandalism and illegal occupation.

The Housing Sector Plan of the City of Matlosana and our plans and policies such as the upgrading of informal Settlement defines and guide the actions as well as plans for sustainable human settlement development. The National Department of Human Settlements in line with the policies (such as the Breaking New Ground Policy) is guiding this development.

The mission of the unit within the Directorate Planning & Human Settlement is to facilitate the delivery of sustainable human settlements, safe, affordable, adequately serviced, and well-located housing opportunities through:

- ✚ Delivery at scale of adequate housing in sustainable human settlements;
- ✚ Mobilisation of well-located public land for low income and affordable housing with increased densities in this land and in general;
- ✚ Ensuring higher built densities, appropriate housing forms with a variety of tenure types, and the densification of existing residential areas;
- ✚ Ensure that the City of Matlosana receives the Municipal Accreditation on housing development and delivery
- ✚ To eradicate the remaining of informal settlements and introduces a rental strategy as an alternative to address housing backlogs.

Challenges

- ✚ Finalisation of Municipal Accreditation Implementation Plan and Capacity Support of the municipality - One of the fundamental key principles of Accreditation is that accountability must accompany responsibility and funding follows function: A key distinction between accreditation and assignment is the location of financial responsibility and the lines of financial accountability. In accreditation, the financial administration of national housing programmes and financial accountability is shared between the provincial accounting officer and the accredited municipality. The municipality is required to report on financial matters to the provincial accounting officer.
- ✚ Finalisation of Provincial Electronic beneficiary database - The North West Provincial Department of Human Settlement put the project in abeyance. The matter subsequently escalated to the national department of Human Settlements.
- ✚ Illegal occupation of RDP houses and municipal land
- ✚ Challenges encountered during the transfer of Old Municipal Housing Stock Unit in erstwhile townships
- ✚ Financial resources as a result of council's budgetary constraints
- ✚ Identification and procuring of suitable land on which to establish new townships to eradicate informal settlements as well as housing backlog.
- ✚ The dolomitic situation in the city impedes further development in eastern side of the city

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Objectives

- ✚ To accelerate housing delivery through efficient and effective human settlements management and quality service delivery as well as through integrated and collective sustainable 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.
- ✚ Address housing backlog by acquiring suitable land for housing development
- ✚ Relocation of households from floodplains and servitudes
- ✚ Intensify door-to-door verification while relocating and resettling people within their demarcated erven with pegs.
- ✚ Revenue Enhancement Sale of land
- ✚ Densification of the city through infill planning and group housing schemes;
- ✚ Eradication of informal settlements and facilitating access to proper community services;
- ✚ Promotion of mixed land use developments
 - ✚ To ensure that beneficiaries acquire security tenure;
 - ✚ To improve living conditions of households in City of Matlosana and neighbouring farming communities; and
 - ✚ To access 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
2014/15	167 225	163 612	97.8%
2015/16	168 257	164 644	97.8%
2016/17	170 689	165 743	97.10%
2017/18	171 772	167 260	97.37%

EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	1	1	1	0	0%
4 – 6	4	6	6	0	0%
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	17	23	19	4	17%

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FINANCIAL PERFORMANCE 2017/18: HUMAN SETTLEMENTS					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	557	8 126	8 126	1 502	-441%
Expenditure					
Employees	7 127	33 613	33 613	7 629	-341%
Repairs and maintenance	193	2 106	2 106	176	-1 097%
Other	2 679	14 463	14 463	2 909	-397%
Total Operational Expenditure	9 999	50 182	50 182	10 714	-368%
<i>Net Operational Expenditure</i>	<i>-9 442</i>	<i>-42 056</i>	<i>-42 056</i>	<i>-9 212</i>	

COMMENT ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL

The overall performance of the Human Settlements division is satisfactory. We managed to build through the Provincial Department of Human Settlements 1 498 complete houses.

We have also embarked on the Title Deed Restoration programme, which seeks to ensure security of tenure on all completed Low cost houses as well as municipal old stock houses. So far the municipality has received 3 949 title deeds and have distributed 1 789 to beneficiaries. This Title Deed Restoration programme will continue until the title deed backlog is completed.

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 R7 500 per month (which is the maximum old age grant equal to two old-age pensions) may apply for indigent support.

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NUMBER OF HOUSEHOLDS									
HOUSEHOLDS EARNING LESS THAN R 7 500 PER MONTH									
Year end	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse removal	
		Access	%	Access	%	Access	%	Access	%
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%
2017/18	23 297	23 297	100%	23 297	100%	23 297	100%	23 297	100%

NATIONAL KEY PERFORMANCE INDICATOR

See page 236 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

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 because 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.

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FINANCIAL PERFORMANCE 2017/18: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
					R'000
Services delivered	2016/17	2017/18			
	Actual	Budget	Adjustment	Actual	Variance to Budget
Water	18 700	84 158	84 158	29 306	35%
Waste-water (sanitation)	9 002	60 649	60 649	14 207	23%
Electricity	13 102	70 789	70 789	19 125	27%
Waste management (solid waste)	18 943	54 695	54 695	29 841	55%
Total	59 747	125 485	125 485	48 966	

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, 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 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.

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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 quality riding 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				
				<i>Kilometres</i>
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2014/15	411	3	8	34.86
2015/16	411	0	0	91.93
2016/17	601	0	5	148.12
2017/18	836	9	10	145.99

TARRED ROAD INFRASTRUCTURE					
<i>Kilometres</i>					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2014/15	809	8	0	0	363
2015/16	809	0	3	0	134
2016/17	1 058.15	0	0	0	180
2017/18	1 083.45	9	10	0	244

ROADS COST OF CONSTRUCTION / MAINTENANCE						
<i>R' 000</i>						
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
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
2017/18	0	37 000	5 000	37 000	0	5 000

STORM-WATER INFRASTRUCTURE			
<i>Kilometres</i>			
Year	New storm-water measures	Storm-water measures upgraded	Storm-water measures maintained
2014/15	11	11	25
2015/16	0*	5	0
2016/17	0*	1	1
2017/18	3	3	5

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* 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
2014/15	11	11	4
2015/16	17	0	4
2016/17	0	1	2
2017/18	0	0	2

EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	0	1	0	1	100%
4 - 6	2	2	1	1	50%
7 - 9	9	14	13	1	7%
10 - 12	23	29	22	7	24%
13 - 15	2	4	2	2	50%
16 - 18	21	26	19	7	27%
19 - 20	106	107	100	7	7%
Total	163	183	157	26	14%

FINANCIAL PERFORMANCE 2017/18: ROAD AND STORM-WATER DRAINAGE					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	2 907	2 246	2 246	2 108	-7%
Expenditure					
Employees	54 102	37 397	37 397	33 914	-10%
Repairs and maintenance	14 765	18 142	18 142	15 382	-18%
Other	107 044	132 073	132 073	361 449	63%
Total Operational Expenditure	175 911	187 612	187 612	410 745	54%
Net Operational Expenditure	-173 004	-185 366	-185 366	-408 637	

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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	-	1 083.45 km
✚ Gravel roads	-	836.00 km
✚ Block paved roads	-	88.00 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 3: Organisational Development Performance (Part II) on pages 146 – 149)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To improve accessibility and mobility for road users in Tigane (Phase 8B)	Km of Tigane taxi route paved and km of storm-water drainage constructed (Phase 8B)	0.955km achieved R3 662 199	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268	Paving of 1.043km taxi route and constructing 1.043km of storm-water drainage in Tigane (Phase 8B) at M Angelo, N Nduma, P Kaseeme, A Lembede, M Luther, S Plaatjie, J Dube and Malolo streets by June 2018 R4 003 557	Paving of 1.043km taxi route and constructing 1.043km of storm-water drainage in Tigane (Phase 8B) at M Angelo (0.356km), Pixley (0.260km), Dr Xuma (0.262km), J Dube (0.165km) streets by June 2018 R4 003 557	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base. R2 459 903	R1 177 129 (Roll-over)
To improve accessibility and mobility for road users in Khuma (Phase 8B)	Km of Khuma taxi route paved and km of storm-water drainage constructed (Phase 8B)	Constructing 1.5 km channel. Project completed R3 699 596	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326	Paving of 1.144 km taxi route and constructing 1.144 km of storm-water drainage in Khuma (Phase 8B) at Mguduza, Bafokeng and Masalele streets by June 2018 R3 166 959	Paving of 1.144 km taxi route and constructing 1.144 km of storm-water drainage in Khuma (Phase 8B) at Ngunduza (0.528km), Bafokeng / Maselesa (0.616km) streets by June 2018 R3 166 959	Site establishment, clear and grub and locating existing services. Construction of 1.144km of road bed, sub-base, base R 2 357 904	R457 612 (Roll-over)

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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 2 209 fewer were renewed for the 2015/16 financial year. For the year 2016/17 a total of 3 320 fewer were

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renewed. For the 2017/2018 financial year a total of 1 309 fewer were renewed. Notice should be taken that a total of 24 769 renewals were done at the Post Office. Licensing services should be promoted and Council should maybe consider to open a pay point at the Treasury department (Water and Lights section) but not before additional posts for 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 CCTV 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 urgently needed.
- ✚ The shortage of vehicle testing examiners is a serious problem as the newly appointed vehicle testing Examiners still not issued with their certificates due to non-payment of the college and the Department of Transport refuses to open them on the E-Natis system unless the certificates are issued. Notice should be taken that can be that the set target for revenue will be influenced due to this.
- ✚ The shortage of supervisors influences the quality of performances as there is a serious lack of supervision and the daily checking on the source documents can 't be done, having the effect that mistakes is declared and corrected. Cognisance should be taken that 20 cashiers were appointed. The additional cashiers automatically increase the workload of supervisors.
- ✚ The shortage of stock and the breaking of equipment have a deep impact on service delivery, as members of public cannot be assisted to renew or register their vehicles. The Road Traffic Management currently experience problems to attend to the equipment (computers and printers) that broke down, as they have a shortage of technicians.
- ✚ The shortage of Inspectors and vehicles do have a huge influence on the collection of revenue. Inspectors should be urgently appointed.
- ✚ A request was submitted that the Vehicle Testing Station at Hartbeesfontein be converted to a Driver License Section as the space in the current building is too small to accommodate all the personnel with the public members.

SERVICE STATISTICS FOR LICENSING SERVICES

DESCRIPTION	2015/16	2016/17	2017/18	COST (R'000)
Registration of vehicles	36 894	35 612	29 969	3 658
Licensing / renewal of vehicle licences	83 338	80 018	78 709	55 922
Issue of permits	6 684	5 983	6 311	605
Application and renewal of motor trade plates	243	260	208	143
Application and issuing of business licences, hawkers' licences and stands	441	533	286	296
Application and issuing of certification of roadworthiness certificates of motor vehicles	2 040	2 436	2 683	561
Weigh bridge certificates of vehicles	2 408	1 000	1 127	101
Application and issue of learners' licences	15246	14 535	12 273	1 546
Application and issue of drivers' licences	9 460	9 771	7 351	1 735
Application for professional driving permits	3 123	3 612	3 216	403
Renewal of drivers' licences	12 482	13 712	14 502	3 219
Issuing of temporary drivers' licences	13 018	8 749	8 957	537
Road Traffic Management Corporation	72 785	69 899	68 262	3 715

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Total income directly to Council from Licensing Services is R19 145 244 (Vat Incl. except for the commission vote)

EMPLOYEE INFORMATION

EMPLOYEES: LICENSING SERVICES					
Job Level	2016/17	2017/18			
	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	20	43	30	13	30%
10 - 12	24	53	25	28	53%
13 - 15	0	18	16	2	11%
16 - 18	3	3	0	3	100%
19 - 20	3	6	2	4	67%
Total	52	125	75	50	40%

FINANCIAL PERFORMANCE 2017/18: LICENSING SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	72 993	86 281	86 281	80 162	-8%
Expenditure					
Employees	16 336	25 610	25 610	22 215	-15%
Repairs and maintenance	223	491	491	44	-241%
Other	45 779	76 866	76 866	58 887	-31%
Total Operational Expenditure	62 338	102 967	102 967	81 246	-27%
Net Operational Expenditure	10 655	-16 686	-16 686	-1 084	

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 testing have been appointed, but an office still wait that the college be paid before the certificates can be issued. Cashiers were appointed to ensure efficient service delivery. Although eight new cashiers were allocated to Klerksdorp Registering Authority, service delivery is not as good as expected due to absenteeism of cashiers in this section. This started as early as September 2017, immediately after appointment of new cashiers to date.
- Inspections are also done by the Provincial and National Departments with a positive result.

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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.

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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

SERVICE STATISTICS FOR PLANNING

Development planning and building control

DETAIL	2015/16	2016/17	2017/18
Detail of building plans			
✚ Number of building plans approved (excluding low cost housing)	804	678	614
✚ Value of building plans approved	R530 898 500	R411 862 900	R296 436 700
Number of applications received for			
✚ Township establishment	5	3	2
✚ Rezoning	79	39	46
✚ Special consent	15	11	4

Building construction

DETAIL	2015/16	2016/17	2017/18
	R	R	R
Value of work completed			
✚ Maintenance on buildings	304 732	5 884 838	630 178
✚ Capital work			
➤ Departmental	0	0	0
➤ Consultants	0	0	0
➤ MIG	0	0	0
➤ Arts and Culture Grant	0	0	47 050
✚ Labour and vehicle cost in respect of maintenance not captured	4 417 467	5 716 875	5 803 210

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning application received	3	3	39	46	678	614
Determination made in year of receipt	0	0	38	41	678	614
Determination made in following year	2	0	1	5	0	0
Applications withdrawn	1	2	0	0	0	0
Applications outstanding at year end	2	1	0	0	0	0

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EMPLOYEE INFORMATION

EMPLOYEES: ADMIN; TOWN-PLANNING, BUILDING SURVEY AND BUILDING CONSTRUCTION					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	6	7	6	1	14%
7 - 9	17	17	12	5	29%
10 - 12	14	12	11	1	8%
13 - 15	8	10	8	2	20%
16 - 18	12	14	12	2	14%
19 - 20	1	1	1	0	0%
Total	59	62	51	11	18%

FINANCIAL PERFORMANCE 2017/18: ADMIN; TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 254	1 508	1 508	1 534	0%
Expenditure					
Employees	21 113	22 604	22 604	18 970	0%
Repairs and maintenance	3 190	1 681	1 681	441	0%
Other	7 823	10 372	10 372	7 701	0%
Total Operational Expenditure	32 126	34 657	34 657	27 112	0%
Net Operational Expenditure	-30 872	-33 149	-33 149	-25 578	

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING COMMUNICATIONS AND MARKETING)

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is about local people working together to achieve a sustainable economic growth that brings economic benefits and quality of life improvement for all in community (LED-World Bank Group). LED is an outcome based on local initiatives and driven by stakeholders. The broader aim of the LED is to create employment opportunities for local community, alleviate poverty, redistribute resources and create opportunities to the benefit of all residents. It is community driven through individuals and sectors. The sector referred to are local government, business and civil sectors. The contribution of the three spheres of government aims to impact on individual communities within the municipal jurisdiction.

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LED is a bottom-up socio-economic instrument within a broader IDP, New Growth Path and National Development Plan (NDP), to create conducive business environment to improve their competitiveness.

Tourism has been recognized as having a significant growth potential to economic growth and employment creation and human resource development. Both the new growth path (2010) and the National Development plan (2012) identified the tourism industry as one of the priority sectors for such growth. The North West provincial Department of Tourism and the office of the premier has identified Tourism as one of the economic pillars for the province.

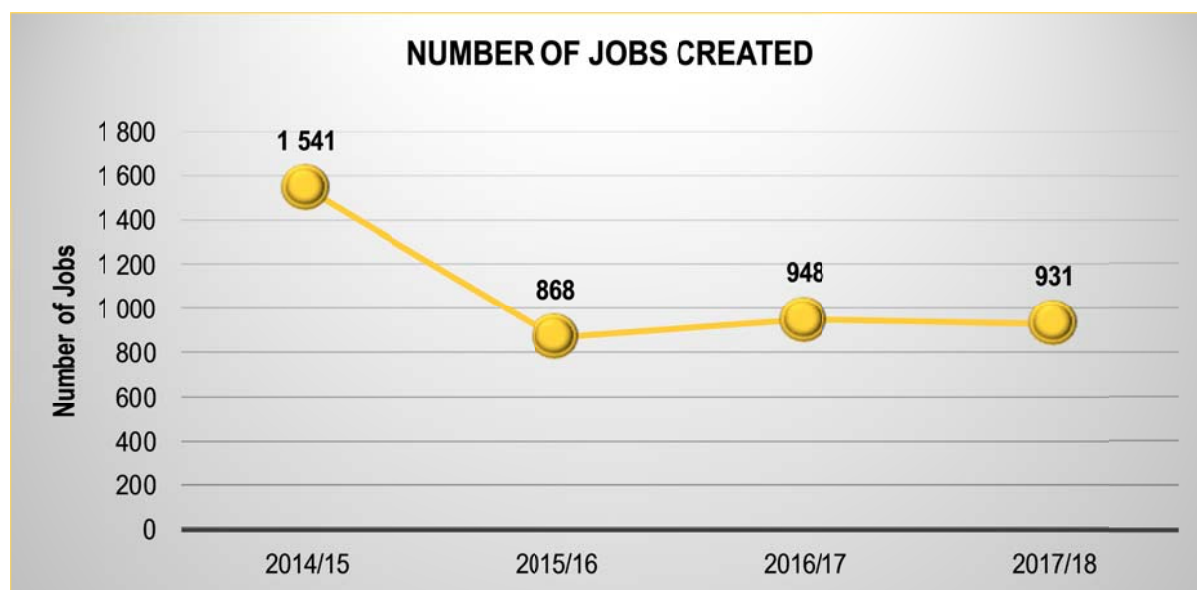
LOCAL ECONOMIC ACTIVITY BY SECTOR				
No of Jobs				
Sector	2014/15	2015/16	2016/17	2017/18
Agriculture, forestry and fisheries	100	35	30	32
Wholesale and retail trade	610	52	0	0
Infrastructure services	931	868	948	899
Total	1 641	955	978	931

COMMENTS ON LOCAL JOB OPPORTUNITIES

JOB CREATION THROUGH EPWP* PROJECTS		
Year	EPWP Projects	Jobs created through EPWP projects
	No	No
2014/15	14	0
2015/16	12	868
2016/17	13	287
2017/18	12	633
*- Extended Public Works Programme		

JOBS CREATED DURING 2017/18 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
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
2017/18	266	0	931	In loco inspection

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The continual implementation of the National Government programme on EPWP is generating work opportunities on a short-term basis. The completion of the Kanana Shopping Complex created short-term jobs during the construction phase and long-term employment after the completion of the Shopping Complex.

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
- ✚ CBD Revitalization

EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT					
Job level	2016/17	2017/18			
	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%

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FINANCIAL PERFORMANCE 2017/18: LOCAL ECONOMIC DEVELOPMENT AND FRESH PRODUCE MARKET					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	21 004	21 569	21 569	20 175	7%
Expenditure					
Employees	14 000	18 092	18 092	13 532	34%
Repairs and maintenance	2 929	3 628	3 628	5 425	-33%
Other	349	17 863	17 863	14 650	22%
Total Operational Expenditure	17 278	39 583	39 583	33 607	18%
<i>Net Operational Expenditure</i>	<i>3 726</i>	<i>-18 014</i>	<i>-18 014</i>	<i>-13 432</i>	

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 237 for details.

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

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- ✚ 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

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

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3.11 FRESH PRODUCE MARKET

INTRODUCTION TO THE FRESH PRODUCE MARKET

The Matlosana Fresh Produce Market (MFPM) is the property of the City of Matlosana and was established in 1980. There are 17 fresh produce markets and Matlosana Fresh Produce Market is ranked eighth according to turnover. Located conveniently close to the N12, this market has excellent potential for future growth.

The Matlosana Fresh Produce Market has several stakeholders namely:

- ✚ Customers - buyers of Matlosana and surrounding towns, as well as customers from as far away as Botswana, Kimberley and Vryburg
- ✚ Market agents - who sell products on behalf of farmers on the market floor;
- ✚ Farmers - including emerging farmers
- ✚ Council employees - they provide a management and administrative function to the market.

Job creation:

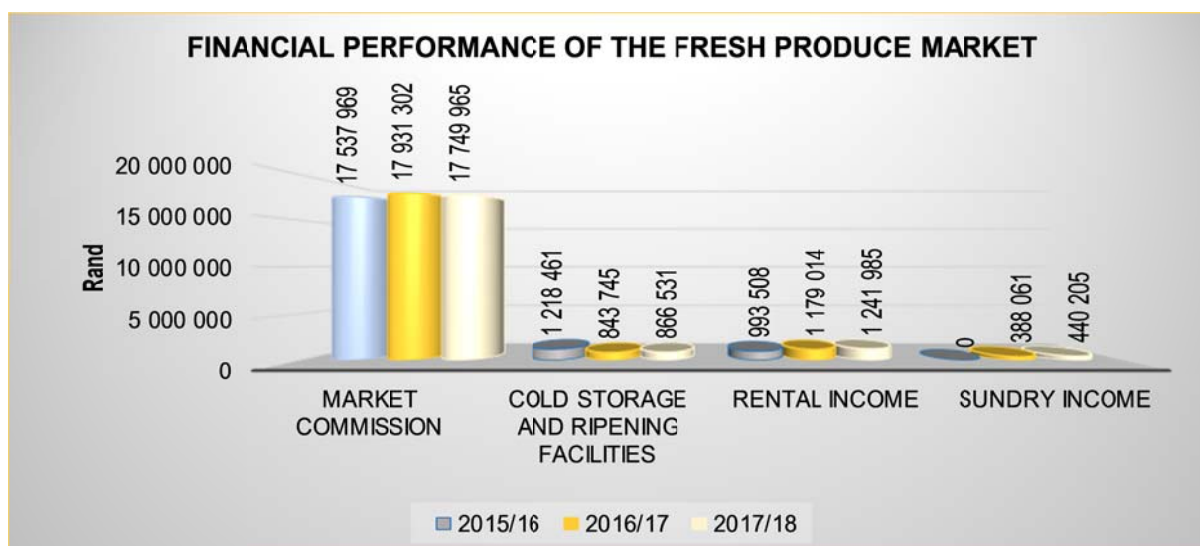
- ✚ Market Agents - The Matlosana Fresh Produce Market has five (5) market agents trading from the floor with a staff complement of 120 permanent employees among them;
- ✚ Porters - 60 porters operates on the floor. They represent informal / indirect employment as a spin-off from the market activities; and
- ✚ SMMEs - Emerging and Small-scale Farmers - The Matlosana Fresh Produce Market 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	2015/16	2016/17	2017/18
	R	R	R
Market commission	17 537 969	17 931 302	17 749 965
Cold storage and ripening facilities	1 218 461	843 745	866 531
Rental income	993 508	1 179 014	1 241 985
Sundry income*	320 917	388 061	440 205

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

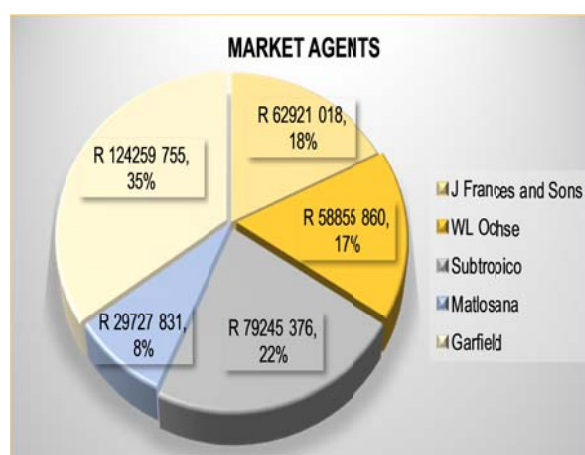
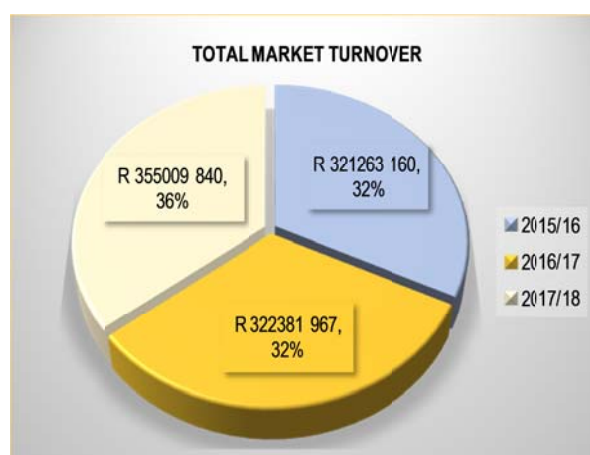
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Total turnover

MONTH	2015/16	2016/17	2017/18	DIFFERENCE
	R	R	R	R
July 2017	22 952 766	25 727 780	24 724 958	-1 002 822
August 2017	21 781 966	25 254 934	27 768 956	2 514 023
September 2017	23 456 259	25 423 546	29 055 542	3 632 996
October 2017	26 490 443	28 010 398	35 297 629	7 287 231
November 2017	27 381 652	30 734 783	33 745 977	3 011 194
December 2017	31 169 074	30 450 763	32 838 092	2 387 329
January 2018	27 183 514	25 637 550	28 197 588	2 560 038
February 2018	28 259 901	24 176 190	27 184 655	3 008 465
March 2018	31 244 238	28 532 348	30 979 166	2 446 818
April 2018	30 288 611	24 743 317	27 785 320	3 042 003
May 2018	24 843 786	28 089 183	31 581 180	3 491 997
June 2018	26 210 950	25 601 176	25 849 775	248 599
TOTAL	321 263 160	322 381 967	355 009 840	32 627 871

The total turnover for 2017/18 was R355 009 839, a 10.1% increase on 2016/17



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Market agents

MARKET AGENT	2016/17 GROSS SALES R	2017/18 GROSS SALES R	% GROSS SALES
J Frances and Sons	62 970 794	62 921 018	0
WL Ochse	53 068 067	58 855 860	16
Subtropico	66 459 119	79 245 376	36
Matlosana	26 738 174	29 727 831	8
Garfield	110 092 935	124 259 755	40
TOTAL	319 329 090	355 009 840	100

EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2016/17	2017/18			
	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	8	3	27%
13 - 15	8	9	8	1	11%
16 - 18	2	4	2	2	50%
19 - 20	13	14	13	1	7%
Total	37	44	35	9	20%

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

Turnover

Market turnover increased by 10%+ which is good, given the food inflation figure of 3.4% year on year. Prices at the market is set by supply and demand.

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, it is therefore believed that the market will report a favourable cold room income in the future.

Carriage income

This income is derived from the leasing of pallet jacks to the customers. Maintenance and repairs remained a challenge and new pallet jacks will be acquired in the 2018/19 financial year.

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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.

Summary

The market has done reasonably well in a tough economic climate.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

3.12 LIBRARIES, MUSEUMS, ARTS AND CULTURE

INTRODUCTION TO LIBRARIES

The Library Service strives to provide informational and educational support for those who want to better their quality of life. We strive 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, educational toys lending services and skills development sessions, study facilities, photocopy services, typing and printing facilities and free public internet access at most of the libraries. Library users are assisted to find information they need for assignments, to do research and assimilate general knowledge, type and print documents and do internet researches as part of our reference services. The Library Service strives to provide services to our communities to improve the quality of life for those that are living in poverty.

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.
- ✚ To promote the culture of reading, to increase literacy rates and life-long learning.
- ✚ 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.

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SERVICE STATISTICS FOR THE LIBRARIES

INDICATOR	2015/16	2016/17	2017/18
Educational programmes			
✚ Library awareness programmes	193	215	198
✚ Library interest events	55	57	58
✚ Programmes attended by youth and adults	6 834	8 484	12 681
✚ Photocopies made	1 005 583	876 030	768 915
✚ Books and items circulated	300 754	246 635	265 339
✚ Enquiries	39 532	28 259	28 448

The following libraries with the contact details are available in the CoM municipal area:

NAME OF LIBRARY	CONTACT DETAIL	NAME OF LIBRARY	CONTACT DETAIL
Alabama Library	018 4878681	Matlosana Library	018 465 3030
Hartbeesfontein Library	018 4878694	Tigane Library	018 487 8891
Kanana Library	018 487 8970	Orkney Library	018 487 8210
Khuma Library	018 487 8652	Stilfontein Library	018 487 8292
Klerksdorp Library	018 487 8399	Rebecca NkhaeThulo Library (Ext. 8 Khuma)	018 487 8660
Manzilpark Library	018 487 8685	Umuzimuhle Library (Vaal Reefs)	018 487 8237

COMMENT ON THE PERFORMANCE OF LIBRARIES

The Equitable Share Grant to the amount of R400 000 was spent on the following repairs to library: furniture and equipment, purchasing of new furniture and equipment for all libraries, stationery, awareness programmes, two air conditioners at Stilfontein Library, Also building material to construct garage for library vehicle at Stilfontein Library, training of staff from all libraries, branding of library vehicles, cameras for all libraries and information screens for three libraries.

The Conditional Grant to the amount of R800 000 was spent to upgrade and renovate Klerksdorp Library. The funds were spent on the repairing of the central cooling system, new carpets on the 2nd floor and vinyl flooring in the foyer, Neser hall and activity room, chairs for Neser hall, a PA system for programmes and events, CCTV cameras, air conditioner for activity room and a bookcase.

The 12 libraries presented 296 programmes, which included educational toy sessions, library interest events, holiday programmes, awareness programmes and computer literacy classes. The programmes were attended by 12 681 members from the community in the different service areas.

The photocopying services, the typing-, printing- and the internet facilities were in high demand at all libraries where it is currently available. The study facilities at all the libraries were occupied to full capacity and needed to be expanded at Khuma and Kanana libraries to accommodate the demand in these areas.

Computers were donated to most of the libraries through the Mzansi Libraries on Line Project funded by the Bill and Melinda Gates Foundation for the exclusive use of the local community. The next phase of this project will in the future provide internet connection at all libraries.

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 152)

LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP							
Service objective	Service indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To address shortcomings by improving library services and maintenance	Rand value of shortcomings at various libraries improved according to the approved project business plan	Material needs of main and branch libraries purchased (Business plan on POE file) R308 134	Various repairs, purchases and projects e.g. Stationery, Awareness projects, etc. R351 307	Improving shortcomings at various libraries according to the approved project business plan by June 2018 R400 000	Improving library services in terms of operational and capital activities at all 12 libraries according to the approved project business plan by June 2018 R400 000	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550	R216 000
To address shortcomings by improving library services and maintenance	Rand value of supplementary improvements of library services done	Failed to purchase vehicle for libraries R0	Jouberton library renovated - see business plan R645 844	Improving supplementary library services according to the approved project business plan by June 2018 R800 000	Improving shortcoming (replacement of carpets & chairs, repair central cooling system etc.) at Klerksdorp Library according to the approved project business plan by June 2018 R800 000	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R 793 861	R500 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 and provide destinations for heritage tourism.

CORE FUNCTIONS OF MUSEUMS AND HERITAGE

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

- ✚ To implement sustainable arts, culture and heritage awareness programmes contributing to safe and healthy communities in the City of Matlosana.
- ✚ To manage information about tangible and intangible heritage assets and provide access to information and knowledge.
- ✚ To manage and preserve our heritage resources and collections to benefit all communities through collection, documentation, research and conservation
- ✚ To promote and create conditions for the development of a multicultural society and to ensure that previously marginalized communities are given opportunities.
- ✚ To create an environment that encourages innovation and creativity and to grow a generation of museum and heritage supporters with an embedded understanding of the importance of culture as the lifeblood of our nation and an essential part of humanity
- ✚ To promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyles.

Museums and Heritage Sites:

- ✚ Klerksdorp Museum with 15 permanent exhibitions, founded in 1975 and housed in the old Klerksdorp Jail building completed in 1891
- ✚ Periodic style House Museum depicting six (6) cultural history exhibitions from the previous century
- ✚ Four Freedom Squares
- ✚ Museum shop
- ✚ Offender Art Gallery of North West in partnership with Department of Correctional Services
- ✚ The Old Cemetery Complex, a Grade II Provincial Heritage Site with Second South African Independence War (1899-1902) graves and pioneer graves. The site also includes Makweteng Cemetery, where initially the victims of the African Concentration camp during the Second South African Independence War and later the deceased from Makweteng Township were buried up to 1954 when the Makweteng residents were forcibly evicted and the township levelled to make room for new white neighbourhoods.
- ✚ Goudkoppie Heritage Hill is a Grade II Provincial Heritage Site with the following features of significance:

Pre-Historical heritage assets on Goudkoppie Heritage Hill

- ➔ Khoisan petroglyphs (rock engravings)
- ➔ Remains of Khoisan stone tools and fire pits dating from the Late Stone Age are evidence of Khoisan utilisation of the site

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Historical heritage assets on Goudkoppie Heritage Hill

- Original foundations of two Second South African Independence War (1899-1902) British Army blockhouses and war graffiti
- British Army Regimental Emblem dating from the same War era
- Exploratory mine shafts bearing evidence of late 19th and early 20th Century gold mining activities

Historical Replicas erected on Goudkoppie Heritage Hill

- Replica of an Iron Age village represent dwellings that had actually been on several sites in and around Matlosana in historical times
- Replica of Second South African Independence War British Army blockhouse, erected on the original foundation

SERVICE STATISTICS FOR THE MUSEUM

INDICATOR	2015/16	2016/17	2017/18
MUSEUM EDUCATION			
Education programmes presented	116	114	120
Lifelong learning classes presented	33	41	42
MUSEUM COLLECTIONS			
Maintenance and care of objects	7 500	2 740	5 000
Digitised collection documentation	675	1 480	1 050
MUSEUM EXHIBITIONS			
Temporary exhibitions presented	7	7	7
Existing exhibitions maintained	20	20	20
COMMUNITY PARTICIPATION			
Consultation sessions	133	135	136
HERITAGE AWARENESS			
Heritage awareness events	11	11	12
Expenditure	R150 129	R128 595	R127 857

EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	1	0	1	100%
4 - 6	3	3	3	0	0%
7 - 9	6	9	9	0	0%
10 - 12	9	14	13	1	7%
13 - 15	37	41	35	6	15%
16 - 18	15	15	14	1	7%
19 - 20	1	1	1	0	0%
Total	72	84	75	9	11%

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FINANCIAL PERFORMANCE 2017/18: LIBRARIES AND MUSEUM					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 646	1 769	1 769	1 602	-10%
Expenditure					
Employees	12 706	18 863	18 863	17 392	-8%
Repairs and maintenance	592	818	818	168	-387%
Other	8 059	6 984	6 984	4 603	-52%
Total Operational Expenditure	21 357	26 665	26 665	22 163	-20%
Net Operational Expenditure	-19 711	-24 896	-24 896	-20 561	

COMMENT ON THE PERFORMANCE OF THE MUSEUMS OVERALL

Museums and Heritage sites are vital public spaces and play an important role in the development of social ties and cohesion, building citizenship, and reflecting on collective identities.

Access to collections, exhibitions, sites and the associated knowledge 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 120 schools and special interest groups during 2017/18. Two brochures were compiled and are distributed to visitors. The total number of visitors to the Museums and Goudkoppie Heritage Hill during 2017/18 was 14 297.

Temporary exhibitions provide redress in terms of inclusivity and were not only exhibited at the Museum but also at the national opening event of the Groot Marico Heritage Site and other museums in North West. Our Nelson Mandela exhibition was displayed at nine local schools.

Cultural community events promote heritage awareness and art. Interactive dialogue programmes to youth awaken their interest in their own cultural heritage and that of others with a view to establish cultural co-operation in the spirit of Ubuntu and understanding. The Matlosana Schools Art Festival, where 11 schools competed in traditional dance and poetry, celebrated National Heritage Month 2017.

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.

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SERVICE STATISTICS FOR CEMETERIES

INDICATOR	2014/15	2015/16	2016/17	2017/18
✚ Burials	3 285	3 064	2 975	2 839
➡ Adults	2 899	2 253	2 138	2 120
➡ Children	394	332	312	237
➡ Re-openings	462	479	525	482
✚ Memorials	878	848	516	519
Expenditure	R10 970 024	R11 746 350	R 12 135 272	R 15 003 835
Income	R1 390 143	R1 402 620	R 1 521 130	R 1 560 605

CHALLENGES	MEASURES TAKEN TO ADDRESS CHALLENGES
Aging of Tlb's to dig the graves	Budget requested to purchase new Tlb's
Lack of funding for the development of roads within the cemetery and fencing new cemeteries	Utilizing plant hire tender to hire the Tlb's to dig the graves

EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES AND AERODROME					
Job Level	2016/17	2017/18			
	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	1	2	1	1	50%
10 - 12	10	13	13	0	0%
13 - 15	3	5	4	1	20%
16 - 18	3	5	4	1	20%
19 - 20	37	37	32	5	14%
Total	54	63	54	9	14%

FINANCIAL PERFORMANCE 2017/18: CEMETERIES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	1 528	1 837	1 837	2 370	22%
Expenditure					
Employees	3 015	11 877	11 877	9 944	-19%
Repairs and maintenance	430	751	738	184	-308%
Other	7 364	2 376	2 325	1 552	-53%
Total Operational Expenditure	10 809	15 004	14 940	11 680	-28%
Net Operational Expenditure	-9 281	-13 167	-13 103	-9 310	

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COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

Environmental authorisation for the establishment of new cemetery at Alabama extension 3 in Klerksdorp, on the remainder of portion 1 of the farm townlands 424 IP, activity number 23 in GN number 983, City of Matlosana, North-West province is still awaiting.

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 annual arbour event benefited Western Reefs Primary school. Grass cutting and tree pruning operations are under severe pressure due to lack of equipment.

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 and conservation 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.

Faan Meintjes Nature Reserve with its Environmental Education Centre can offer a great opportunity for the youth and learners of Matlosana for exposure to learn about nature conservation, empowerment on taking care of environment i.e. waste, pollution of all media (air, land, and water), wetlands, alien species, climate change adaptation etc.

The Education Environmental Programmes aligned to the current school curriculum can be offered to learners and career guidance in environment & conservation and specific EE Programmes to the youth of Matlosana

Challenges

- Lack of funding for development of mega parks in Matlosana townships
- Deforestation of biodiversity
- Vandalism of existing and newly planted pavement trees
- Non-functionality of Environmental Education Centre structure at Faan Meintjes Nature Reserve

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SERVICE STATISTICS FOR PARKS, FAAN MEINTJES AND AERODROME

INDICATOR	2014/15	2015/16	2016/17	2017/18
AERODROME - Aerodrome – cut grass Expenditure	1 R5 137	1 R5 000	1 R 4 640	1 R4 590
NATURE RESERVE				
✚ Day visitors	4 490	3 323	3 047	3197
✚ Vehicles / Buses	1 298	971	939	853
✚ Accommodation and functions	451	344	222	123
Expenditure	R728 615	R712 380	R1 800 000	R2 083 162
Income	R290 346	R213 759	R187 785	R 172 391
TREES - Trimmed	3 846	4 029	3 546	-
AUCTION KRAALS - Total auctions	49	48	49	52

EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	0	1	1	0	0%
4 – 6	2	2	1	1	50%
7 – 9	8	10	7	3	30%
10 - 12	6	11	6	5	45%
13 - 15	30	40	36	4	10%
16 - 18	23	30	20	10	33%
19 - 20	115	125	110	15	12%
Total	184	219	181	38	17%

FINANCIAL PERFORMANCE 2017/18: PARKS, FAAN MEINTJES NATURE RESERVE, ORKNEY VAAL AND AERODROME					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	3 283	2 313	2 313	2 422	5%
Expenditure					
Employees	31 700	39 556	39 685	35 984	-10%
Repairs and maintenance	2 518	4 133	4 133	2 118	-95%
Other	252	16 012	15 237	13 794	-16%
Total Operational Expenditure	34 470	59 701	59 055	51 896	-15%
Net Operational Expenditure	-31 187	-57 388	-56 742	-49 474	

COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL

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.

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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.
- ✚ Obtaining the budget for the new Occupational Health Unit meant a lot of scrutiny to clarify the legality and sustainability thereof.
- ✚ 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).

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

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- ✚ 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	2015/16	2016/17	2017/18
Head count to the centre	1 329	548	548
Head count at the clinics	-	479	479
Meetings	24	26	26
Hepatitis vaccinations	185	224	224
Tetanus vaccinations	-	-	-
Health promotions	8	7	7
Flu vaccinations	0	0	0
HIV/AIDS statistics	2015/16	2016/17	2017/18
Screened	103	41	397
Counselled	103	41	397
Tested	69	41	71
Non-reactive	34	41	67
Reactive	1	0	4
Referred for ARV	1	0	4
Blood samples taken	3	0	1
On treatment	15	0	3
TB statistics	2015/16	2016/17	2017/18
Screened	39	139	340
Sputum collected	35	62	6
Negative	30	62	4
Positive	5	0	2
Referred to clinic	5	0	2
Family planning	2015/16	2016/17	2017/18
Injectable	191	89	177
Oral contraceptives	96	65	27
Male condoms (departments)	1 420	1 640	6 000
Female condoms	57	30	10
Pap smears	1	0	56
Implant	1	0	0
CHRONIC DISEASES			
HBP / Diabetes	2015/16	2016/17	2017/18
Total patients seen	271	171	1735
New diagnosis	60	60	11
Referred to hospital	3	3	23
Uncontrolled	3	3	19
On treatment	60	60	29
Defaulter	3	3	7
MINOR AILMENTS	2015/16	2016/17	2017/18
Total patients seen	476	376	129

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New diagnosis	29	29	13
Referred to hospital	1	1	7
On treatment	6	6	10
INJURY ON DUTY	2015/16	2016/17	2017/18
Total patients seen	24	24	41
New diagnosis	24	24	38
Referred for treatment	-	-	41
Referred to hospital	20	20	38
Fatalities	0	0	0

REPORT ON INDIGENT / PAUPER BURIALS

INDICATOR	2015/16	2016/17	2017/18
Indigents			
✚ Adults	46	33	21
✚ Children	5	1	1
✚ Babies	23	27	30
Expenditure	R179 559	R169 949	R137 103.00

REPORT ON INJURY ON DUTIES 2017/18

Request for re-opening of file = 3

New accidents/incidents reported = 39

Final medical reports/resumption reports = 30

Fatal claims = 0

COMMENTS ON INJURIES

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 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.

EMPLOYEE INFORMATION

EMPLOYEES: OCCUPATIONAL HEALTH SERVICES					
Job Level	2016/17	2017/18			
	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%

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FINANCIAL PERFORMANCE 2017/18: OCCUPATIONAL HEALTH SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	97	-	-	5	100%
Expenditure					
Employees	4 508	4 748	4 748	4 887	3%
Repairs and maintenance	3	49	49	0	0%
Other	4 140	4 853	4 853	6 666	27%
Total Operational Expenditure	8 651	9 650	9 650	11 553	16%
<i>Net Operational Expenditure</i>	<i>-8 554</i>	<i>-9 650</i>	<i>-9 650</i>	<i>-11 548</i>	

COMMENTS ON THE PERFORMANCE OF OCCUPATIONAL HEALTH CENTRE OVERALL

The general performance of the Occupational Health Centre has improved given the two employees who were recalled from clinics. With the latter, the morale has improved also.

The only concern is the alarming results found from the campaign of Pap smears, which out of 26 done 12 were found to be having traces of cancer which referrals were made for further management and treatment.

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 Traffic Division are responsible for the following:

- ✚ Creation of safe road environment by reducing road accidents and fatalities
- ✚ Promotion of safer road traffic environment
- ✚ Reduction of road traffic violations
- ✚ Ensuring maximum collection of outstanding fines from offenders
- ✚ Ensuring traffic information management
- ✚ Ensuring road safety education campaigns
- ✚ Investigate all road traffic related matters
- ✚ Enforcing of the Road Traffic Act and Municipal By-laws

The key function of the Road Safety sub-section is to conduct campaigns on road safety to the community.

Security

To safeguard and protect council property and assets, personnel and to ensure community safety in the CoM municipal area

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Technical Section

The technical Section are responsible for the road marking and road signs in Matlosana area.

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 R10 935 715 was generated in the 2017/18 financial year.

Multi-road blocks

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

Administration logistics

An income to the amount of R977 400 was generated in the 2017/18 financial year.

TRAFFIC SERVICE DATA			
Details	2015/16	2016/17	2017/18
Number of road traffic accidents during the year	3 574	3 858	5418
Number of by-law infringements attended to	6 400	2 862	4678
Number of traffic officers in the field on an average day	44	42	38
Number of traffic officers on duty on an average day	60	47	44

SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2015/16	2016/17	2017/18
Traffic violations			
Section 56 summonses			
✚ Other	18 155	11 880	10958
Section 341 Notices			
✚ Other parking offences	6 400	2 862	4678
✚ Cameras: speed and robot	-	-	-
TOTAL	24 555	14 933	15636
Total income from Traffic Court			
✚ Admission of guilt paid (criminal)	165 150	64 500	39 140
✚ Court fines	200 950	535 000	488 600
✚ Provincial court fines	7 750	12 300	17 800
TOTAL	373 850	611 800	543 540
Summons issued			
Section 56 summonses issued – traffic officers	18 155	11 880	10 958
TOTAL	18 155	11 880	10 958
Cases withdrawn by senior public prosecutor as a result of representations			
✚ Section 56 summonses		368	389
✚ Section 341 Notices		170	194
✚ Camera cases		112	0
TOTAL	449	650	583

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Admission of guilt			
Magistrate's Court	407 250	590 050	516 740
Matlosana Traffic Court			
✚ Contempt of court	344 900	146 400	118 800
✚ Warrants of arrest	1 069 700	447 400	403 600
At Traffic Department			
✚ Section 56 summonses	1 556 170	939 900	977 400
✚ Section 341 Notices	-	-	-
TOTAL	3 378 020	2 123 750	2 016 540
Total income per annum			
Traffic fines	3 378 020	2 123 750	2 016 540
✚ Accident reports	31 790	36 294	21 529
✚ Income from parking grounds	200	198	0
✚ Escort fees: Abnormal loads	79 050	73 839	124 669
✚ Temporary closing of streets	46 157	43 643	55 140
TOTAL INCOME	3 535 217	2 277 724	2 217 878
Arrests (driving while under the influence of intoxicating liquor)			
✚ Males	314	79	188
✚ Females	0	17	10
TOTAL	314	96	198
Escorts / special services rendered			
✚ Abnormal loads	179	81	138
✚ Funerals	197	201	227
✚ Fun runs / road races / cycle races	4	17	15
✚ Street festival	1	1	1
✚ Street braai / street closure	50	161	218
TOTAL	431	461	599

EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	2	1	1	50%
4 - 6	3	3	3	0	0%
7 - 9	12	16	12	4	25%
10 - 12	57	62	54	8	13%
13 - 15	12	13	11	2	15%
16 - 18	21	27	21	6	22%
19 - 20	43	52	40	12	23%
Total	149	175	142	33	19%

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FINANCIAL PERFORMANCE 2017/18: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	10 706	8 631	8 631	3 694	-134%
Expenditure					
Employees	32 951	37 520	37 520	34 578	-9%
Repairs and maintenance	1 604	3 484	3 484	1 216	-187%
Other	16 632	37 656	37 656	29 230	-29%
Total Operational Expenditure	51 187	78 660	78 660	65 024	-21%
Net Operational Expenditure	-40 481	-70 029	-70 029	-61 330	

COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done in KOSH by means of 15 multi-road blocks in conjunction with the SAPS and Commandos. Warrant of arrest were executed. 48 Road Safety education campaigns were conducted at schools and crèches.

The Traffic and Security Division experienced plenty of challenges. 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 but still Warrant of arrests were executed and income generated.

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

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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).

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	2015/16	2016/17	2017/18	
	Actual No	Actual No	Estimate No	Actual No
Total fires attended in the year	539	591	500	476
Total of other incidents attended in the year	3 309	3807	4500	2292
Average turnout time - urban areas	3 to 5 min	3 to 5min	3 to 5 min	3 to 5 min
Average turnout time - rural areas	7 to 10 min	7 to 10min	7 to 10 min	7 to 10 min
Firefighters in post at year end	56	55	54	52
Total fire appliances at year end	6	8	8	8
Average number of appliances off the road during the year	9	5	3 to 4	4

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DESCRIPTION	2015/16	2016/17	2017/18
Fire suppression	249	235	246
Public education	16	16	18
Building plans	851	674	681
Site inspections – new	21	7	6
Site inspections – re-inspections	1	0	0
Flammable liquid registrations	74	93	67
Fire hydrant maintenance/inspection	385	474	772
Grass fires	283	356	130
Training	17	1	119
Trade licences	240	125	82
Transport permits	184	87	0
Complaints	2	0	3
Pre-burn inspections	0	0	1
Pre-burns	7	4	142
Rescues	137	206	812
Building inspections	842	898	425
People trained	416	593	246

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	2015/16	2016/17	2017/18
Number of events	31	21	29
Social relief (fire)	92	156	96
Sink hole incidents	0	0	6
Public information, education and relation	20	16	24
Blankets	91	317	523
Mattresses	79	132	312
Tents	-	12	22
Social relief (other incidents) sinkholes, windstorms, floods	-	108	160
Total number of households affected (Fire)	-	264	355
Total number of people affected (other incidents) wind storm, floods	-	-	139

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EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT					
Job Level	2016/17	2017/18			
	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	19	25	21	4	16%
10 - 12	8	23	8	15	7%
13 - 15	35	39	32	7	18%
16 - 18	1	1	0	1	100%
19 - 20	5	5	5	0	0%
Total	72	98	70	28	29%

FINANCIAL PERFORMANCE 2017/18: FIRE AND DISASTER MANAGEMENT					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	147	419	419	210	-100%
Expenditure					
Employees	29 417	23 493	23 493	27 228	14%
Repairs and maintenance	1 284	1 584	1 584	-9 643	116%
Other	-260	5 306	5 306	3 714	-43%
Total Operational Expenditure	30 441	30 383	30 383	21 299	-43%
Net Operational Expenditure	-30 294	-29 964	-29 964	-21 089	

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

As per the SANS 10090 (Community Protection Against Fire) The ability to meet attendance time requirements will be directly influenced by the siting of fire stations and the size of turn-out areas which should be determined by taking into consideration street grid networks, speed of appliances, terrain and traffic conditions.

Fire prevention is an important feature of the fire service and it has been proved that in brigades where this division of the service is efficiently organized, fire losses have been reduced by more than 20 %. The purpose of fire prevention measures is to prevent, eliminate, or reduce hazards that contribute to the occurrence and spread of fire.

COMPONENT H: SPORT AND RECREATION

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

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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. The Sport and Recreation is a vital tool to promote social cohesion.

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 30 lease contracts;
- ✚ Club development; and
- ✚ Sports tourism development.

Sporting Events:

- ✚ Easter Tournament
- ✚ 16 June Tournament
- ✚ Learn to swim project
- ✚ Matlosana summer games
- ✚ Sport against crime and gangsterism
- ✚ Sports Merit Awards
- ✚ Maize Cup

SERVICE STATISTICS FOR SPORT AND RECREATION

INDICATOR	2015/16	2016/17	2016/17
Swimming pools			
▶ Gala events	0*	1	
Expenditure	R50 000	R 110 000	R200 000 00
Income	R44 093	R 72 254	R106 973 00
Recreation			
▶ Total major events	1	5	8
Expenditure	R70 122	R 85 740	R306 818
Sports Merit Awards Expenditure	R753 239	R 156 818	R71 663

* Gala Event moved to Rustenburg

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EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2016/17	2017/18			
	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	2	4	2	2	50%
10 - 12	13	14	13	1	7%
13 - 15	12	15	12	3	20%
16 - 18	8	12	8	4	33%
19 - 20	56	56	56	0	0%
Total	93	103	93	10	10%

FINANCIAL PERFORMANCE 2017/18: SPORT AND RECREATION					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	526	463	463	298	-55%
Expenditure					
Employees	17817	16 639	16 639	19 274	14%
Repairs and maintenance	5641	8 815	8 815	5104	-73%
Other	53 738	62 238	62 238	58 247	-7%
Total Operational Expenditure	77 196	87 692	87 692	82 625	-6%
<i>Net Operational Expenditure</i>	<i>-76 670</i>	<i>-87 229</i>	<i>-87 229</i>	<i>-82 327</i>	

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OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 147)

SPORT AND RECREATION OBJECTIVES TAKEN FROM THE IDP							
Service Objective	Service Indicators	2015/16	2016/17	2017/18			2018/19
		Target	Actual	Target			Budget
				Original	Adjusted	Actual	
To construct a new sports complex in Khuma Township	Number of new Sports Complex in Khuma constructed	New project	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474	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 to the sport complex by June 2018 R10 951 678	Constructing a foundation of one multi-purpose hall at the Khuma Sports Complex according to the annual business plan by June 2018 R3 651 079	Appointment of the contractor and site establishment Clear and grub - completed. Relocating services - 60%. Earthwork platforms 65% and foundations 15% completed. Storm water - 65% completed. R3 180 092	R 12 000 000

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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 decisions. However, there are certain matters on which the Executive Mayor, as the head of the municipality

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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	2015/16		2016/17		2017/18	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	5	1	6	3	6	3
Corporate Governance	5	0	6	1	6	1
Transversal Issues	5	0	6	0	6	1
Infrastructure	5	0	6	1	6	1
Public Safety	5	0	6	1	6	0
Community and Health Services	5	0	6	0	6	0
Economic Growth and Market	5	0	6	1	6	5
Electrical Engineering	5	0	6	0	6	0
Housing, Land Affairs and Rural Development	5	3	6	4	6	3
Sport, Arts and Culture	5	0	6	0	6	2

DETAIL	2015/16	2016/17	2017/18
Section 80 Committee Meetings			
✚ Anglo Gold	0	13	9
✚ Project Monitoring	4	3	1
✚ Heritage Committee	0	0	0
✚ Budget Steering	7	6	4
✚ Audit Committee		9	4
✚ Matlosana / ISAGO@N12	3	4	2
✚ IDP Steering Committee	4	4	4

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EMPLOYEE INFORMATION

EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS)					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	6	8	6	2	25%
4 - 6	12	0	0	0	0%
7 - 9	2	0	0	0	0%
10 - 12	9	0	0	0	0%
13 - 15	4	0	0	0	0%
16 - 18	3	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	36	8	6	2	25%

EMPLOYEES: GOVERNANCE SUPPORT (POLITICAL OFFICES)					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	3	3	3	0	0%
4 - 6	16	16	16	0	0%
7 - 9	2	3	2	1	33%
10 - 12	15	15	15	0	0%
13 - 15	4	4	4	0	0%
16 - 18	2	3	2	1	33%
19 - 20	0	0	0	0	0%
Total	42	44	42	2	5%

FINANCIAL PERFORMANCE 2017/18: EXECUTIVE, MUNICIPAL MANAGER, DIRECTORS POLITICAL OFFICES (EXCLUDING COUNCILLORS)					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	527	3 203	3 203	3 109	-3%
Expenditure					
Employees	54 342	41 869	41 869	64 701	35%
Repairs and maintenance	180	631	631	93	-578%
Other	43 771	114 617	114 617	67 761	-69%
Total Operational Expenditure	98 293	157 117	157 117	132 555	-19%
<i>Net Operational Expenditure</i>	<i>-97 766</i>	<i>-153 914</i>	<i>-153 914</i>	<i>-129 446</i>	

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3.20 STRATEGIC PLANNING AND REGULATORY MATTERS

Performance information is important for effective management, including planning, budgeting, implementation, reporting, monitoring and evaluation.

As a component of the 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.







The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP.

The SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

Strategic plans therefore identify strategically important outcomes-oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated. 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.

INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY MATTERS

After the restructuring of Council's overhead structure, the directorate Strategic Planning, Monitoring and Control was abolished but the various units were re-positioned with the Office of the Municipal Manager. The Office of the Municipal Manager comprises the following units:

-  Office of the Municipal Manager – Support
-  Performance Management.
-  Integrated Development Planning.
-  Risk Management.
-  MPAC.
-  Internal Audit.

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.

The Constitution of SA (1996). Section 152, dealing with the objectives of Local government paves the way for performance management with requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management. With reference to the principles of inter alia:

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- ✚ The promotion of efficient, economic and effective use of resources,
- ✚ Accountable public administration
- ✚ To be transparent by providing information,
- ✚ To be responsive to the needs of the community,
- ✚ In addition, to facilitate a culture of public service and accountability amongst staff.

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.

The Municipal Systems Act (MSA), 2000 as amended requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery Budget Implementation Plan (SDBIP).

COMMENTS ON THE PERFORMANCE OF PERFORMANCE MANAGEMENT OVERALL

Performance management is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure, and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. 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.

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's report contained the following statement:

"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

28. I draw attention to the matters below.

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

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

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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."

During the 2017/18 financial year, the municipality complied with legislation concerning the development, operation and maintenance of a performance management system. The following highlights can be reported on:

- ✚ The 2017/18 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 fifth 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

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place within the framework of the IDP. Through integrated development planning, different plans are integrated, co-ordinated and linked to the use of natural, financial, human and physical resources.

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

The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to 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 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 operational plans. Both internal and external conditions that may impede the achievement of the goals expressed in the strategic and operational 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

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mapped to current controls, as well as to advise on actions to be taken to mitigate risks in a cost-effective manner.

In the 2017/18 financial year, the Risk Management Unit managed 74 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. The risk register was approved by the municipal manager and adopted by council. 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 2016/17
In loco Inspection conducted by MPAC and Section 32 Committee	5 projects 2 meetings	Incomplete PMU Projects and On-going Projects
Public Hearings on the Annual Report 2016/17	5	Hold Municipal Executive and Administration accountable for stewardship of municipal / public resources
MPAC - 2016/17	35	Meetings for the financial year 2016/17
Section 32 - 2016/17	15	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 Committee should be seen as the Committee of Council, in its own right, working within the delegation framework of the Municipal Council. The Council refers identified Unauthorised, Irregular, Fruitless and Wasteful Expenditure for verification and recommendation to Council by Section 32 Committee, subsequent to investigation by the Accounting Officer.

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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The Committee does not write off expenditure and it would not regularise the expenditure. The expenditure could be regularised only in terms of either the SCM Policy (in line with reg. 36) or section 170 of the MFMA. The Section 32 committee have a mandate to interview any relevant person and to obtain all relevant documentation from any official or councillors that may assist with the investigations.

The Section 32 committee will submit a report on the findings and recommendation of the committee to Council after completion of its investigation.

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 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: -

- ✚ Improve compliance with laws and regulations.
- ✚ Maintaining an a-political status and averting conflict of interests.
- ✚ Carrying a full and comprehensive oversight mandate.
- ✚ Interacts and engage with members of the public.
- ✚ Promote good governance, transparency and accountability in the use of Municipal resources.
- ✚ Does not behave in a manner that allows maladministration, inefficiency, waste or corrupt practices.

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.

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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.

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.

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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;
- ✚ 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: OFFICE OF THE MUNICIPAL MANAGER					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	1	5	4	1	20%
4 - 6	7	10	8	2	20%
7 - 9	0	3	3	0	0%
10 - 12	1	4	3	1	25%
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	23	18	5	22%

FINANCIAL PERFORMANCE 2017/18: OFFICE OF THE MUNICIPAL MANAGER					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	0	0	0	0	0%
Expenditure					
Employees	9 474	10 576	10 576	9 042	0%
Repairs and maintenance	3	66	66	5	-12%
Other	686	1 037	1 037	664	-1%
Total Operational Expenditure	10 163	11 679	11 679	9 711	0%
Net Operational Expenditure	-10 163	-11 679	-11 679	-9 711	

3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)

Matlosana Local Municipality has been under financial constraints because of the local economic outlook, which has been weaker than anticipated. Domestic inflation is lower, largely because 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,

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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	2015/16		2016/17		2017/18	
	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	281 771	84%	290 494	77%	304 401	63%
Electricity – B						
Electricity – C	685 958	85%	634 797	82%	623 518	70%
Water – B						
Water – C	517 558	48%	497 281	44%	558 644	34%
Sanitation	103 192	55%	106 539	52%	112 410	39%
Refuse	141 789	35%	145 155	35%	154 025	26%
Other	662 892	34%	382 047	58%	230 233	21%

- ✚ Property rates billed annually have a collection rate of between 63%
- ✚ Electricity billed annually has a collection rate of between 70% taking into account electricity losses and theft.
- ✚ Water billed annually has a collection rate of between 34% with huge water losses in the municipal area.
- ✚ Sanitation billed annually has a collection rate of about 39%
- ✚ Refuse billed has a collection rate of about 26%
- ✚ Other income 21% – other income depends on the nature of the income. Example: sale of stands.
- ✚ The collection rates in the 17/18 financial year decreased because Council had a dysfunctional percentage financial system to convert to MSCOA. For at least 6 months, credit control actions could not be taken due to incorrect balances on the Phoenix financial system.
- ✚ Partial credit control measures could only be implemented for the last six months when Council reverted back to Venus
- ✚ The collection rates have decreased since credit control still 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

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions have moved towards centralisation. Due to capacity within the SCM unit, the unit was not yet fully centralised as at 30th of June 2018. The departments are making requests and

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compiling preliminary specifications and reports for the bid committee. The unit as it checks compliance and facilitates the procurement process until the award stage.

Supply chain management is a management of philosophy aimed at integrating a network of upstream linkages (sources of supply), downstream linkages (distribution and ultimate to customers). In performing specific processes and activities that will ultimately create and optimize the value for the customer in the form of products and services which are specifically aimed at satisfying customer demands and provision of service delivery.

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:

- ✚ Procurement is done in compliance with the procurement plan.
- ✚ Goods or services are procured at correct times.
- ✚ The right quality and quantity are ensured.
- ✚ The correct service provider or supplier is used.

Challenges

- ✚ Staff turnover within the SCM unit to execute the work and meet the organisation 's demand
- ✚ Insufficient capacity in terms of human capital and tools of trade to full implementation of SCM centralisation.
- ✚ Inadequate training for SCM staff and committees to expose both staff and committees to best practises on the SCM
- ✚ Lack of commitment by both SCM staff and committees
- ✚ Delays in the SCM process on the appointment of service providers/suppliers, interruptions of briefing and closing sessions, which cause unnecessary postponement of other processes.
- ✚ Lack of own electronic supplier database system – still relying only on the Central Supplier Database (CSD) and manual system.

EMPLOYEE INFORMATION

EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	5	7	7	0	0%
4 - 6	16	22	17	5	23%
7 - 9	31	35	30	5	14%
10 - 12	61	91	69	22	24%
13 - 15	29	43	34	9	21%
16 - 18	3	4	1	3	75%
19 - 20	10	14	11	3	21%
Total	155	216	169	47	22%

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FINANCIAL PERFORMANCE 2017/18: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	790 216	918 059	918 059	963 692	5%
Expenditure					
Employees	50 650	61 589	61 589	56 635	-9%
Repairs and maintenance	279	698	698	437	-60%
Other	651 904	541 505	541 505	334 855	-62%
Total Operational Expenditure	702 833	603 792	603 792	391 927	-54%
Net Operational Expenditure	88 553	314 267	314 267	571 767	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

In the 2017/18 financial year, the municipality managed to improve the audit opinion to an unqualified option.

The cash flow position of the municipality remains a challenge because 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 2018/19 financial year, the municipality converted to mSCOA (municipal Standard Chart of Accounts) on the 1st July 2018, as prescribed by NT. This will result in improved quality of financial reporting, going forward.

NATIONAL KEY PERFORMANCE INDICATORS

See pages 239 - 240 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.

Setting out priorities for the Human Resource Services and the impact during 2017/18 financial year:

- ✚ In process of filling of all critical positions.

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- ✚ 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.

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.
- ✚ Identify trends in terms of service, injury on duty, sick leave to be able to plan remedial programmes to address negative trends.

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

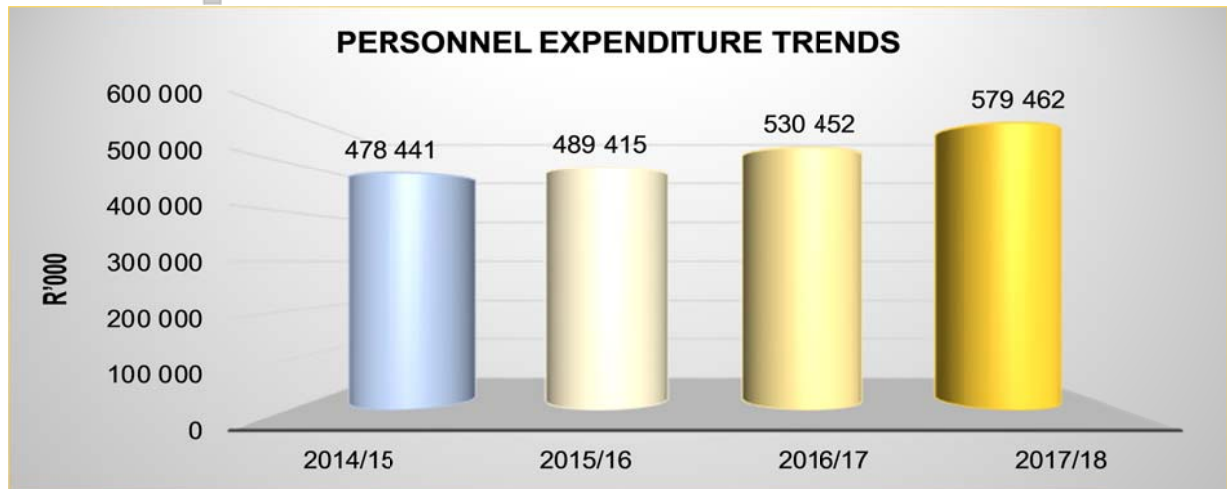
SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2014/15 to 2017/18:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2014/15	478 441	21.30%
2015/16	489 415	19.42%
2016/17	530 452	19.58%
2017/18	579 462	20.07%

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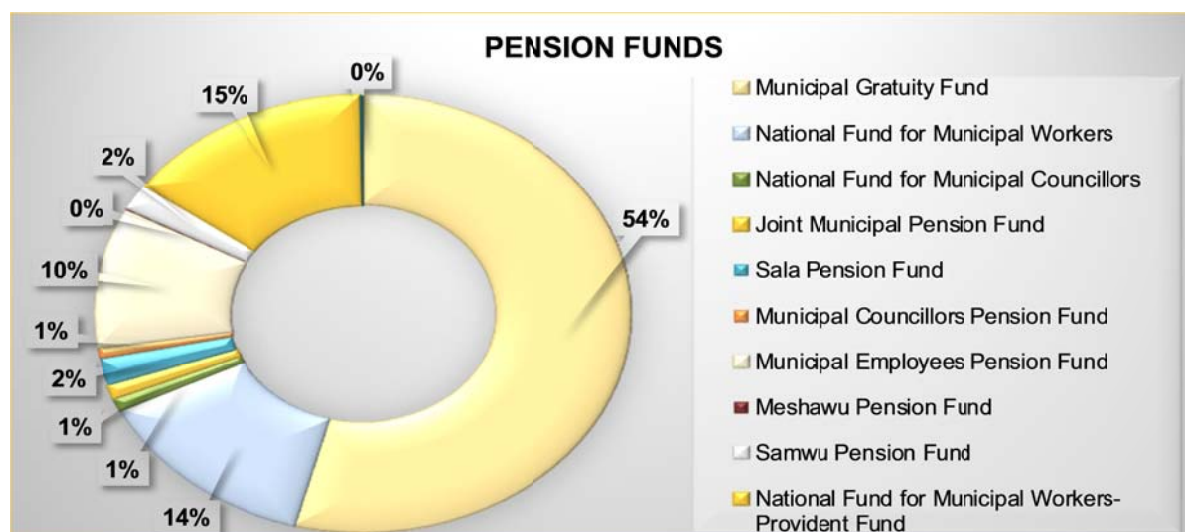


Pension and Medical Aid Funds

Pension Fund

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

PENSION FUND	NUMBER OF MEMBERS		
	2015/16	2016/17	2017/18
Municipal Gratuity Fund	1 361	1 318	1 304
National Fund for Municipal Workers	326	315	329
National Fund for Municipal Councillors	0	17	22
Joint Municipal Pension Fund	28	26	25
Sala Pension Fund	62	55	49
Municipal Councillors Pension Fund	64	19	20
Municipal Employees Pension Fund	280	267	248
Meshawu Pension Fund	4	4	4
Samwu Pension Fund	49	49	47
National Fund for Municipal Workers-Provident Fund	-	-	356
Sanlam Provident Fund	-	-	5
TOTAL	2 174	2 070	2 409



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The Council's actual pension fund expenditure for the 2017/18 financial year towards the employer's contribution was R69 124 734.

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 2017/18 financial year as the employer's contribution to medical aid funds was R32 527 033, while the medical aid for pensioners and provision for 2017/18 are R11 205 016 which brings the total medical aid fund to R43 732 049.

MEDICAL AID FUND	NR OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
Key Health	98	4 325 479
Hosmed	54	2 145 029
Bonitas	301	9 127 067
LA Health	601	12 667 015
Samwu Med	137	4 262 444
Pensioners and provision for contributions		11 205 016
TOTAL		R43 732 049

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 2015	ARREARS JUNE 2016	ARREARS JUNE 2017	ARREARS JUNE 2018
	(R)	(R)	(R)	(R)
Councillors*	34 219	51 462	797 390	617 299
Employees	41 720	475 597	1 087 878	886 847

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

The decrease in arrears is attributed to the arrears are 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)*			
	2014/15	2015/16	2016/17	2017/18
Executive Mayor	724 669	816 856	859 856	1 012 408
Speaker	583 908	658 915	733 770	828 643
Mayoral Committee Members (12)	6 137 898	7 311 307	6 450 621	9 190 862
Councillors (63)	13 011 782	15 195 294	20 353 829	22 149 927
Municipal Manager	1 332 312	2 797 856*	1 468 984*	1 351 476

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Director Budget and Treasury (CFO)	1 303 872	1 369 66*	1 439 882*	1 097 028
Director Corporate Support	1 004 652	1 121 343	936 022	1 393 115
Director Infrastructure Services	1 004 652	1 121 343	1 190 868	1 091 629
Director Electrical and Mechanical Engineering	1 004 652	1 121 343	1 190 868	-
Director Technical and Infrastructure	-	-	-	457 093
Director Local Economic Development	1 067 946	1 121 343	1 190 868	944 000
Director Municipal and Environmental Services	-	1 121 343	1 190 868	-
Director Community Development	-	-	-	457 093
Director Public Safety	-	-	-	457 093

* See note 25 of Annual Financial Statements for more information regarding remuneration

Personnel Administration

DETAIL	2014/15	2015/16	2016/17	2017/18
Pension	41	59	46	33
Resignations	45	46	18	35
Deaths	26	39	12	22
Other	12	0	0	0
Injuries on duty	56	06	87	38
Medical boarding in process	05	04	15	11
Medical boarding application	07	07	1	30
Death claims	26	59	15	25
Posts in Council	2 480	2 482	2 524	2 482
Posts filled	2 019	2 077	2 024	2 050
Posts vacant	461	405	500	432

EMPLOYEE ASSISTANCE PROGRAMME

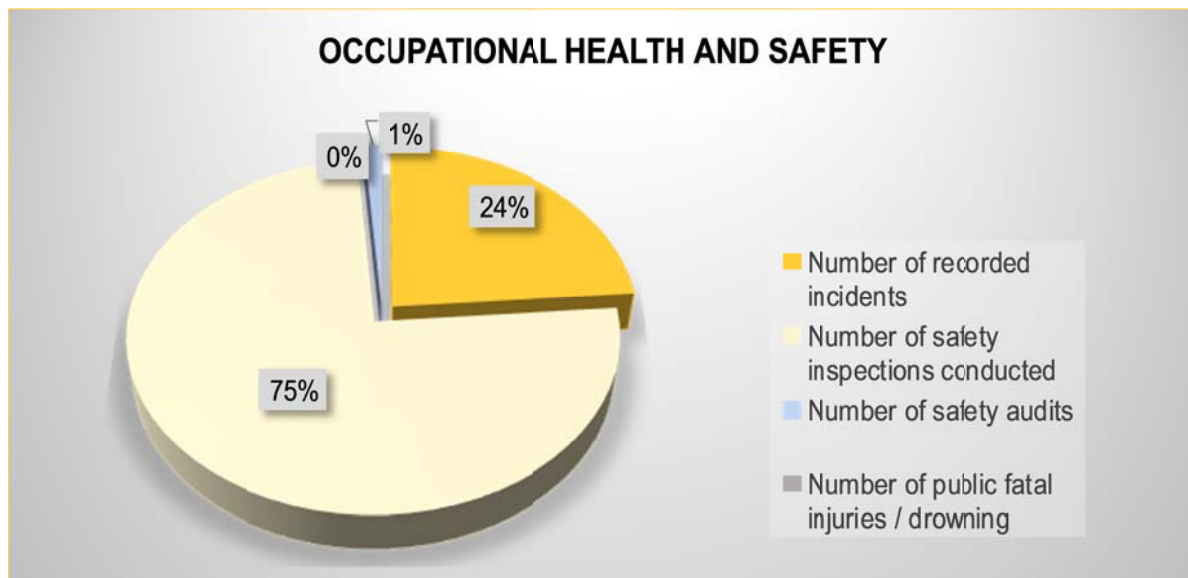
DETAIL	2014/15	2015/16	2016/17	2017/18
New clients	46	30	34	38
Old / follow-up cases	12	10	6	3
Closed cases	1	0	4	1
Total in treatment	226	256	229	328
In-house counselling	93	91	70	40
Referrals	0	0	4	3
Total refused referrals to EAP	0	0	0	2

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OCCUPATIONAL HEALTH AND SAFETY

DETAIL	2014/15	2015/16	2016/17	2017/18
Number of recorded incidents	56	60	51	38
Number of fatal incidents reported	0	0	0	0
Number of safety inspections conducted	120	120	120	122
Number of construction projects inspected	0	0	0	0
Number of safety audits	2	2	2	2
Number of public fatal injuries / drowning	1	0	1	0



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EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 - 3	2	3	2	1	33%
4 - 6	8	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	24	31	24	7	23%

FINANCIAL PERFORMANCE 2017/18: HUMAN RESOURCE SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	232	4 000	4 000	140	-2 757%
Expenditure					
Employees	29 087	7 646	7 646	6 058	-26%
Repairs and maintenance	111	22	22	0	0%
Other	8 489	8 580	6 251	2 286	-275%
Total Operational Expenditure	37 687	16 248	16 248	8 344	-95%
Net Operational Expenditure	-37 455	-12 248	-12 248	-8 204	

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

The City of Matlosana Human Resources Recruitment Unit has in the financial year 2017/2018 filled eighty-eight (88) permanent posts and some 20 temporary posts throughout the municipality. In the process, various posts at the Assistant Director and Deputy Director posts were advertised and are in the process of being shortlisted with the intend to finalize appointment by end August 2018.

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During 2017/18, four (4) vacant Director-level posts were filled and another two re-advertised for filling in the near future.

Organizational structure

Council has approved a reviewed top structure of the current organogram. Although we have reported in the 2016/2017 that this office was in the process of finalizing the review of the remaining positions in consultation with all stakeholders. The organogram has not been reviewed/ submitted to council.

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
2014/15	44	28	9
2015/16	45	26	9
2016/17	45	25	9
2017/18	45	26	9

See page 241 for detail.

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

It is impossible to ignore the importance of ICT wherever and whenever good governance is pursued. The effective and intelligent use of ICT has been an essential component of modern administrative science and has great potential to speed up the transformation processes of municipalities. ICT plays an important role in strengthening democracy, as it improves the relationship between citizens and municipal administration.

The strategically use of ICT in a municipal service environment produces the following benefits:

- ✚ Speed or quality of service delivery;
- ✚ Increased public access to Service Directorates;
- ✚ The facilitation of remote communication and transactions and
- ✚ Enhance transparency.

The development of a five-year ICT Strategy Plan and an ICT Disaster Recovery Plan has been initiated and should be finalised during the 2018/19 financial year.

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The ICT Section has endeavoured to provide, within our means, reliable systems, reliable and easily accessible data and support to our users.

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 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 2017 / 2018 financial year, there were 1 962-service request logged by users at the IT Helpdesk and all were successfully resolved. 99% of these calls were resolved within ten working days.

The following hardware were replaced during the 2017/18 financial year –

HARDWARE	NUMBER	AMOUNT
Printers	18	59 969
Laptops	15	177 793
Projectors	2	15 566
Workstations	5	83 899
Network Switches	23	285 767
Total	63	622 994

As from the 1st of July 2017, the municipality must be mSCOA compliant. An mSCOA Steering Committee was established and the committee took the decision to change from the current financial system to the Phoenix Financial System.

In June 2017, a temporary server for the new Phoenix Financial System was installed in the main Server Room of the municipality.

A detailed project plan, inclusive of timelines, was developed. The project of implementing the new Phoenix Financial System included the following:

- ✚ Training and handholding sessions.
- ✚ Financial data migration onto the new Phoenix Financial System.
- ✚ The development of a cemetery module for the Phoenix Financial System.
- ✚ Various meetings with all the stakeholders. During these meetings, all system encountered problems, additional training requests and system errors were identified and discussed.
- ✚ The setup and configuration of all cashier printers on the new Phoenix Financial System.
- ✚ The installation of the new Phoenix Financial System Software on all relevant PC's in the Municipality.

The project of implementing the new Phoenix Financial System was stopped because the SLA with the company VESTA Technical Services (Pty) Ltd was terminated on the 28 of February 2018.

The implementation of the Council Resolution to move back to the BCX Venus Financial System and to upgrade the Venus Financial System to be MSCOA compliant initiated on Monday 05 March 2018.

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The project of upgrading the Venus Financial System to be MSCOA Compliant included the following:

- ✚ The current General Ledger Structure on the Venus Financial System was unbundled and converted to a General Ledger Structure that is MSCOA compliant.
- ✚ The goal to submit a MSCOA Budget for 2018/19 was reached. The Budget was tabled on 20 April 2018 and approved on 30 May 2018.
- ✚ MSCOA Training and handholding sessions were done.
- ✚ In April the TRU Software to generate, Section 71 Reports from the MSCOA Venus Financial System were installed on various PC's in the Budget Office and training was given to the relevant employees.
- ✚ Various meetings were held with all the stakeholders. During these meetings all MSCOA structures, additional training requests and system errors were identified and discussed.
- ✚ The MSCOA Venus Database was ready and available for utilisation on 1 July 2018.

The project to move back to the Venus Financial System entailed that all the financial transactions for the financial year 2017/18 had to be captured on the Venus Catch-up Database.

The process of capturing all the 2017/18 financial transactions on the Venus Catch-up Database included the following -

- ✚ All the transactions were capture, authorised and processed per month. When all the transactions were processed for a specific month – the month-end was done for that month.
- ✚ This process was repeated for all the 2017/18 months.
- ✚ The goal was set to submit the Financial Statements on 31 August 2018.
- ✚ Various meetings were held with all the stakeholders. During these meetings, all encountered logistic problems, additional training requests and system errors were identified and discussed.
- ✚ In July, the year-end processes had not yet been finalised.

The process to convert the Payday System to be MSCOA compliant started in March and all changes were made except for the final changes, which can only be done in July 2018 to be fully MSCOA compliant.

EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES					
Job Level	2016/17	2017/18			
	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%

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FINANCIAL PERFORMANCE 2016/17: ICT SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	156	150	150	122	0%
Expenditure					
Employees	1 920	2 011	2 011	1 827	0%
Repairs and maintenance	5 426	12 357	12 357	6 470	0%
Other	19 138	15 040	15 040	5 555	0%
Total Operational Expenditure	26 484	29 408	29 408	13 852	0%
Net Operational Expenditure	-26 328	-29 258	-29 258	-13 730	

COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2017/18 financial year:

- All the MPAC Committee Members received new laptops. The laptops were setup and configured with the necessary software as well as the member's official email addresses.
- The Kaspersky Anti-Virus Licence was renewed and distributed to all PC's and laptops connected to the City of Matlosana's network.
- The Payday HR ESS Module was implemented in 2017/2018. The focus of the Self - service project is online application for leave, viewing of leave balances, viewing of basic personal details and on-line viewing of pay- slips.
- The revamp of the network infrastructure at the Indigent Section in the Finance Directorate was successfully completed. New network points, network cables and a new network cabinet were installed to ensure a tidy and risk free work environment.
- The network cables at 11 Pay points were removed from lying across the floors to lay on the ceilings or against the walls. The project was initiated to mitigate safety risks and to ensure a neat and tidy work environment. The project started in January and ended in February.
- The network in the Office of the Single Whip was revamped by separating the network cables and the electrical cables and by installing trunking and two new wall boxes.
- The Alabama Library was added to WAN network of the City of Matlosana – therefor the employees residing in this library has now access to official emails and access to the Workflow Library System. This was done by creating two new network points and by installing network cables, trunking, a five port 10/100/1000 Network Switch and a new network cabinet.
- The network at the PMU Section in the Infrastructure Directorate was revamped. 21 New network points, network cables, trunking, a 24 port 10/100/1000 Network Switch, a new network cabinet with a patch panel and blanking plate were installed.

All wireless access point devices were removed and replaced with the abovementioned network equipment as the above is more stable and maintains a higher network speed.

- The network for the Orkney Garage at the Brooke Tower was also revamped. New electrical cables, network cables, 2 new POE's, an 8 port Network Switch and an outdoor Network Cabinet were installed to protect the POE of the radios.

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- ✚ Three New network points were created at the Orkney Library.
- ✚ The network at the Klerksdorp Library was expanded. Nine New network points were created; network cables and a 16-port network switch were installed.
- ✚ The network at the Recreation Section was revamped. New network points, network cables, trunking, a 12 port 10/100/1000 Network Switch, a new network cabinet with a patch panel and blanking plate were installed.
- ✚ The Customer Care Call Centre Section was added to LAN network of the City of Matlosana at Finance. This was done by creating five new network points and by installing network cables, trunking, a 24 port Network Switch and a new network cabinet.
- ✚ 25 Desktop computers were upgraded. This is necessary, as the older technology is not compatible with the latest versions of the Windows Operating System as well as software in use.

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 Services and support to the Municipal Manager and all too all Council's Directorates.
- ✚ Ensures that compliance requirements are adhered to by Council
- ✚ Provides legal comments on items to Council submitted by Directorates
- ✚ Liaising with attorneys on matters that requires referral for litigations, opinions and reports
- ✚ Receives, responds and distributes legal documents served to council
- ✚ Consults with departments and prepares litigation documents before referral to attorneys
- ✚ Provide support during disciplinary hearings by acting as the employer representative or alternative as a presiding officer
- ✚ Responsible for drafting Service level agreements, Memorandum of understanding and Lease agreements
- ✚ Responsible to keep and update the Contract register

Key performance objective

- ✚ Ensuring effective legal services provision for Council.
- ✚ Ensuring re-alignment of constraints to improve contract management.
- ✚ Provide Legal support in reviewing, revision and development of by-laws for Council Directorates

Strategic objectives

- ✚ Rendering legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- ✚ 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
- ✚ Provide Legal support to Directorates in revising Council policies and procedures to comply with statutory and legal requirements.
- ✚ Providing professional legal advice to the Council and its top management.

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Key issues

- ✚ To settle cases and effective outcome of actions with minimal negative impact for Council.
- ✚ To effectively protect Council's interest.
- ✚ To give effective legal support to all departments.
- ✚ To effectively regulate relationships between Council and clients.
- ✚ To effectively promote knowledge on legal matters.
- ✚ To ensure compliance with the Town Planning Scheme

SERVICE STATISTICS FOR LEGAL SERVICES

INFORMATION	2014/15	2015/16	2016/17	2017/18
Cases against Council	32	13	38	36
Cases for Council	38	68	102	68
Cases won	21	0	12	11
Cases settled	19	2	5	19
Cases outstanding	62	66	123	66
Cases referred to the High Court	18	14	21	15
TOTAL EXPENDITURE	R 6 478 329	R12 445 583	R13 222 657	R10 374 285

EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
0 – 3	3	3	3	0	0%
4 – 6	10	12	10	2	17%
7 – 9	4	6	3	3	50%
10 – 12	8	11	8	3	27%
13 – 15	13	14	12	2	14%
16 – 18	4	6	4	2	33%
19 – 20	31	33	31	2	6%
Total	73	85	71	14	16%

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FINANCIAL PERFORMANCE 2017/18: LEGAL AND ADMINISTRATION SERVICES					
R'000					
Details	2016/17	2017/18			
	Actual Budget	Original Budget	Adjustment Budget	Actual Expenditure	Variance to Budget
Total Operational Revenue	41	492	492	409	-20%
Expenditure					
Employees	4 749	29 857	29 857	28 966	-3%
Repairs and maintenance	0	781	781	351	0%
Other	13 357	15 724	15 724	11 010	-43%
Total Operational Expenditure	18 106	46 362	46 362	40 327	-15%
<i>Net Operational Expenditure</i>	<i>-18 065</i>	<i>-45 870</i>	<i>-45 870</i>	<i>-39 918</i>	

COMMENT ON THE PERFORMANCE OF LEGAL AND ADMINISRATIVE SERVICES OVERALL

The following highlights need to be mentioned

- ✚ Council attorneys manage to defend and pursue litigations in a manner which did not impact negatively to council
- ✚ Handing over of instructions to attorneys was centralised with legal services
- ✚ Legal Services managed to draft Services Level Agreements for most of the tender awarded
- ✚ The establishment of the contract register brought about the management of Services level agreements

Annual Performance Report 2017/18

Chapter 3

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Chapter 3

1. INTRODUCTION

The 2017/18 Annual Performance report is hereby submitted to Council 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, Circular 11 and 63 on annual reporting.

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

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 2017 to 30 June 2018 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, the following overhead structures were covered:

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

2. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

During the 2017/18 financial year, the City of Matlosana has continued to maintain effective performance management operations of the following processes:

- ✚ The 2017 /2018, the Executive Mayor approved SDBIP.
- ✚ 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 (KPI's) 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.
- ✚ 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.

3. AUDITING OF PERFORMANCE INFORMATION

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

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

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- ✚ Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes and procedures.
- ✚ Document the understanding obtained of the performance information system, processes and procedures.
- ✚ Document the understanding of risks that exists in the detailed performance management process per selected development priority.
- ✚ Assess, review, test and verify the consistency, measurability, relevance and presentation of planned and reported performance information.
- ✚ Review scorecards on a test basis to supporting evidence on a sample basis.
- ✚ Record the system that is used to generate the performance information.
- ✚ Ensure compliance with the requirements of the PMS regulations.
- ✚ Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

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

The 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 organization's objectives.

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

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

New Audit Committee members were appointed during the Council meeting held on 28 February 2018 (CC 13/2018). The new members are as follows:

✚ Mr Thapelo Mocwaledi CA(SA)RA	-	Chairperson
✚ Ms Mpho Mathye (IAT)(PIA)	-	Member
✚ Mr Jack Ramakgolo (CCSA)	-	Member
✚ Ms Margret Nkomo	-	Member
✚ Mr Joseph Mokwena CA(SA)RA	-	Member

4. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

In order to ensure that performance planning, implementation and reporting is effective; it is recommended that the following remedial actions be maintained during the 2018/2019 financial year:

- ✚ Management to discuss monthly progress of the SDBIP as a standing agenda item at their top management meetings and that portfolio of evidence of each meeting be kept.
- ✚ The SDBIP to be discussed as standing agenda items to gauge performance of each department's challenges as in when they are reported to be resolved to assist the municipality to achieve its objectives.

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- ✚ 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 informed to comply.
- ✚ That quarterly performance reports be submitted as per dates contained in the Performance Action Plan.
- ✚ That the quarterly performance assessments of performance of managers directly reporting to the Municipal Manager as well as the Municipal Manager's performance be conducted as required by the performance regulations.

5. ISSUES RAISED IN THE 2016/17 AUDITOR-GENERAL'S REPORT

The Auditor-General's report contained the following statement:

"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

28. I draw attention to the matters below.

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

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."

6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be presented to the Auditor-General for auditing together with the Annual Financial Statements on 28 September 2018.

The following is reported on:

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

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The Annual Performance Report for the 2017/18 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The respective directorates report the achievements, reasons for deviation and planned remedial action 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 (POE's).

6.1 Organisational Performance Results

The table below encapsulates the high-level summary of the municipality's 2017/18 performance results with regard to each of the development priorities:

2017/18 ORGANISATIONAL RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Service Delivery and Infrastructure Development</i>	63	37	26	59%
<i>Municipal Institutional Development and Transformation</i>	36	29	7	78%
<i>Local Economic Development (LED)</i>	8	6	2	75%
<i>Municipal Financial Viability and Management</i>	41	15	26	38%
<i>Good Governance and Public Participation</i>	143	108	35	76%
TOTAL	291	195	96	67%

2017/18 DIRECTORATE RESULTS				
Key Performance Indicators	Total No of KPI's	Targets		Annual % Met
		Achieved	Not Achieved	
<i>Office of the Municipal Manager</i>	44	35	9	80%
<i>Directorate Technical and Infrastructure</i>	55	36	19	65%
<i>Directorate Budget and Treasury</i>	52	31	21	60%
<i>Directorate Corporate Support</i>	39	27	12	69%
<i>Directorate Community Development</i>	34	31	3	91%
<i>Directorate Public Safety</i>	22	15	7	68%
<i>Directorate Planning and Human Settlements</i>	18	6	12	33%
<i>Directorate Local Economic Development</i>	27	14	13	52%
TOTAL	291	195	96	67%

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The 2017/18 year's performance results currently reflect a 67% success rate caused by mixed performance results of directorates in implementing the SDBIP.

The 2017/18 SDBIP includes the performance comments and corrective measures indicated for targets not achieved.

The following achievements contribute to overall 2017/18 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.

- ✚ Purchased 285 x 240ℓ and 1 050 x 85ℓ dustbins for the KOSH area
- ✚ Electrification of 951 Households in Alabama Ext 4 (Phase 2)
- ✚ Cleaned 30.6 km of main sewers as per program in the City of Matlosana municipal area
- ✚ Constructed 2.5 km pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A)
- ✚ 12 high mast lights installed in Jouberton hot spot areas (Phase2)
- ✚ 6 high mast lights installed in Alabama (Wards 3 & 4) (Phase 2B)
- ✚ Resolved at least 95.58% of all low voltage complaints received in the KOSH area
- ✚ Conducted 900 general fire inspections according to programme in the KOSH area
- ✚ Graded 145.99 km roads in the KOSH as per programme

Municipal Institutional Development and Transformation

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

- ✚ Conducted 4 operational risk assessments with Council departments on emerging risks
- ✚ Conducted 122 Occupational Health and Safety inspections in Council departments
- ✚ Conducted 2 Occupational Health and Safety Audits
- ✚ Renewed the annual PC Peller Airport license in order to obtain authority to operate the airport
- ✚ Conducted 8 health promotions programmes as identified
- ✚ Submitted the 2018/19 Work Place Skills Plan to LGSETA
- ✚ Submitted the 2018/19 EE Report to Department of Labour on 14 January 2018
- ✚ Conducted 4 life skills training sessions for council employees
- ✚ Submitted 4 public satisfaction reports to council to identify and evaluate service delivery within KOSH area
- ✚ Compiled & distributed 6 internal newsletters to employees of Council
- ✚ Answered 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017

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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 32 permanent jobs through the Municipality's local economic development initiatives in rural areas
- ✚ Created 899 permanent jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects in urban areas
- ✚ 4 Cooperatives (1 per township) in KOSH area established / resuscitated and functional
- ✚ 12 LED consultation meetings conducted

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.

- ✚ R10 743 584 income collected from Vehicle Registration and Licensing / renewals
- ✚ R10 935 715 income collected from traffic fines
- ✚ Maintaining the existing valuation roll
- ✚ Grants as 100% of revenue received per DORA
- ✚ Revenue enhancement by identifying areas where council is not billing or is billing incorrect
- ✚ Reconciled the 2016/17 asset register 100% to the financial statements
- ✚ 93% of budgeted revenue for property rates collected

Good Governance

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

- ✚ Tabled the Audited 2016/17 Annual Report before Council on 31 January 2018
- ✚ Resolving 98,57 % of all IT queries received within 10 working days
- ✚ Convened 12 heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity
- ✚ Conducted 8 sport events to ensure the promotion of sport in the City of Matlosana municipal area
- ✚ Presented 37 Library awareness programmes at schools and other venues in the KOSH
- ✚ Approving final 2018/19 SDBIP by Executive Mayor (28 days after approval of budget) by June 2018
- ✚ Conducting 30 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana
- ✚ Tabling the 2016/17 Oversight Report before Council on 27 March 2018
- ✚ 2018/19 Budget policies & tariffs approved by Council on 30 May 2018

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6.2 Four Year Comparison on Organisational Performance Results

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

2017/18 ORGANISATIONAL RESULTS				
	2014/15	2015/16	2016/17	2017/18
Annual Overall Performance	71%	70%	71%	67%
Key Performance Areas				
<i>Service Delivery and Infrastructure Development</i>	73%	74%	65%	59%
<i>Municipal Institutional Development and Transformation</i>	76%	69%	68%	78%
<i>Local Economic Development (LED)</i>	83%	86%	100%	75%
<i>Municipal Financial Viability and Management</i>	42%	48%	58%	38%
<i>Good Governance and Public Participation</i>	77%	78%	78%	76%

The 2017/18 percentage is 4% lower as compared to 2016/17 financial period.

7. CONCLUSION AND APPROVAL OF BY THE MUNIICPAL MANAGER

During the 2017/18 financial year, the overall performance results currently reflect a 68% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2017/18 percentage is 3% lower as compared to 2016/17 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 timeously performance information as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

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



Signed by _____

T.S.R. NHKUMISE

MUNICIPAL MANAGER



Date: 07 December 2018

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IDP and Council Projects (Grant and Council Funded)



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve bulk water supply in Alabama / Manzilpark (Phase 3B) to ensure basic water services to the community					
PMU1	Bulk water supply improved with a number of water pressure tower constructed for Alabama / Manzilpark (Phase 3B)	Pipe work completed and the reservoir is outstanding R9 993 080	Site established, excavations and foundations completed R6 639 203	Constructing a 29 shaft lift in preparation of one bulk water 2 Mℓ pressure tower in Alabama / Manzilpark (Phase 3B) by June 2018 R8 720 348	Up to shaft 23 completed R7 075 859		Bowl section works slowly progressing due to restricted working space and fall protection systems required. Concrete takes longer to set due to winter season	Contractor has been advised to expedite progress. Currently more resources has been put in place and additional working hours on Saturdays. Anticipated completion date 30 January 2019.	R629 039 (Roll-over)
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve water supply from Midvaal end point to Jouberton and Alabama to increase the water supply capacity to the community					
PMU2	Number of pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A) constructed	Payment finalized R2 434 478	Contractor appointed and site establishment completed R14 705 738	Constructing one 2,41 km of 800mm diameter oPVC and 0.09 km of 800mm diameter HDPE pipeline for water supply from Midvaal end point to Jouberton and Alabama (Phase 1A) by June 2018 R72 250 230	2.5 km of 800 diameter pipe laid. Project completed R59 769 461		-	-	R3 842 308 (Roll-over) R29 900 919



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To upgrade the sewer outfall line Alabama /Jouberton (Ext 19) in order to handle the load during peak hours and the discharge from Jouberton and surrounding areas before the effluent is discharged and treated at the Klerksdorp treatment Plant					
PMU3	Length of sewer outfall line in Alabama /Jouberton (Ext 19) upgraded	New project	Technical report submitted to DWS and project approval and recommendation letter received. The project was advertised. The project was advertised for the procurement of the contractor R216 540	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. Contraction of nine 1000 mm Concrete Manholes and ten 1250 mm concrete manholes and connection to the waste water treatment plant in Alabama /Jouberton (Ext 19) by June 2018 - R3 251 022	Excavation, laying and back filling of 0.4km (length) of 600 mm diameter uPVC pipeline (total 0.8km); Construction of 4 × 1000 mm (depth) concrete manholes, 9 × 1 250 mm (depth) concrete manholes and connection to the waste water treatment plant. Project completed as per scope R 2 826 682		During further inspections, it was discovered that there was another existing 600mm sewer line north west to the new line, whereby the contractor deviate to connect to the existing line. It resulted in the reduction of the manholes from 14 to 13 which led to a saving on the project	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility for road users in Kanana Phase 8B					
PMU7	Km of Kanana storm-water drainage constructed (Phase 8B)	Constructing 0.82 km channel. Project completed R5 057 009	Close out report submitted R223 868	Constructing of 1.72km roadbed and subbase layers for Lepeolwane (0.808km) and Monare (0.912km) street in Kanana Phase 8B (ward 26 & 27) by June 2018 - R4 774 248	Constructed 1.798 km of roadbed and subbase R3 248 732		-	-	R1 069 277 (Roll-over) R4 116 755



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	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 in Khuma Proper (North East)	Construction of 2.5km sewer network and upgrading of existing tralie pump-station R15 220 396	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	Installing a 6.618km (160mm to 250mm diameter) uPVC sewer network lines; 8.5km of 110mm diameter house connections, 132 manholes and upgrading of one existing tralie pump station for the sewer network in Khuma Proper (North East) by June 2018 R17 867 060	12.275km (160mm to 250mm diameter) uPVC sewer network lines; 3.475km of 110mm diameter house connections, 252 manholes and one existing tralie pump station for the sewer network in Khuma not commissioned yet. R6 342 635		Contractor experienced challenges due to community unrest and existing underground services that led to rerouting of certain sections of pipes.	Community facilitation sessions with IDP office and councillors were conducted. Redesigning of sections that were intersecting with existing underground services.	R10 601 986 (Roll-over)
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility for road users in Tigane (Phase 8B)					
PMU5	Km of Tigane taxi route paved and km of storm-water drainage constructed (Phase 8B)	0.955km achieved R3 662 199	Paving of 1.8km taxi route and constructing 1.8km of storm-water drainage achieved R5 439 268	Paving of 1.043km taxi route and constructing 1.043km of storm-water drainage in Tigane (Phase 8B) at M Angelo (0.356km), Pixley (0.260km), Dr Xuma (0.262km), J Dube (0.165km) streets by June 2018 R4 003 557	Site establishment, clear and grub and locating existing services. Construction of 1.043km of roadbed, sub base and base. R2 459 903		Late appointment of the Contractor due to signing of the MOU Phase 3 for Vukuphile Learner Contractors Programme by Public Works	Contractor was advised at the site hand over meeting that was held on 11 June 2018 to expedite progress. Anticipated completion date 14 December 2018.	R1 177 129 (Roll-over)



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve accessibility and mobility for road users in Khuma (Phase 8B)					
PMU6	Km of Khuma taxi route paved and km of storm-water drainage constructed (Phase 8B)	Constructing 1.5 km channel. Project completed R3 699 596	2.1 km taxi route and constructing 2.1 km of storm-water drainage completed R 7 451 326	Paving of 1.144 km taxi route and constructing 1.144 km of storm-water drainage in Khuma (Phase 8B) at Ngunduza (0.528km), Bafokeng / Maselesa (0.616km) streets by June 2018 R3 166 959	Site establishment, clear and grub and locating existing services. Construction of 1.144km of road bed, sub-base, base R 2 357 904		Late appointment of the Contractor due to signing of the MOU Phase 3 for Vukuphile Learner Contractors Programme by Public Works	Contractor was advised at the site hand over meeting that was held on 11 June 2018 to expedite progress. Anticipated completion date 14 December 2018.	R457 612 (Roll-over)
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a new sports complex in Khuma Township					
PMU8	Number of new Sports Complex in Khuma constructed	New project	Project location changed. Designs finalized for previous project location. New designs are finalised. Advertisement for contractor not finalised R2 889 474	Constructing a foundation of one multi-purpose hall at the Khuma Sports Complex according to the annual business plan by June 2018 R3 651 079	Appointment of the contractor and site establishment Clear and grub - completed. Relocating services - 60%. Earthwork platforms 65% and foundations 15% completed. Storm water - 65% completed. R 3 180 092		Delays in the appointment of the Contractor. Community protests	Contractor appointed and engagements with stakeholders is ongoing to resolve conflicts. Anticipated completion date for total project - 08 January 2020.	R1 333 282 (Roll-over) R12 000 000




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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop a high level concept plan for pedestrian-friendly Interchange zone and define a pedestrian network offering improved connectivity between the hub and its local area and with the hub in Jouberton ext. 19					
PMU9	Km of central activity spine infrastructure (roads, storm-water and intersections) constructed in Jouberton ext. 19	New project	New project	Constructing of central activity spine infrastructure in Jouberton ext. 19 that comprises of roads (0.885km) and storm-water (1.3km), intersections (3), underground water (0.980km) and sewer reticulation (2.150km), street lighting (0.885km), land landscaping by June 2018 - R38 180 000	0.855 km roadbed, subbase, base layers and road surfacing in progress - 0.984 km underground water completed and 2.150km sewer pipes reticulation in progress R30 102 220		Delays of electrical and sewer reticulation and landscaping due to poor performance of contractor. New consultant appointed that led to the identification of additional work	Contract period extended. Variation order to be applied for to cover for additional work. Project will be completed in next FY	R45 596 074
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct a taxi facility for the community to ensure accessibility in Jouberton ext. 19					
PMU10	Number of new taxi facility constructed at Jouberton Ext 19	New project	New project	Procuring a contractor for 1 new taxi facility in Jouberton ext. 19 by June 2018. R1 471 044	Revision of designs completed. Project completed as per scope R1 272 545		Delays in finalization of procurement documentation due to corrections on detailed designs due to the previous consultant handing over information to the current consultant	Expedition of the finalization of the detailed design	See PMU9



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
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		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide services to make the precinct fully functional in Jouberton ext. 19					
PMU11	Number of bulk infrastructure service design (civil and electrical) completed and site established for Jouberton Ext 19	New project	New project	Designing bulk infrastructure services (civil, mechanical and electrical) in Jouberton ext. 19 precinct, procuring a turnkey contractor and site establishment by June 2018 R6 350 896	Detailed designs submitted and approved. Site establishment. Project completed as per scope R 6 923 430		-	-	See PMU9
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop a high level concept plan for pedestrian-friendly interchange zone and define a pedestrian network offering improved connectivity between the hub and its local area and with the hub in Alabama / Jouberton ext. 19					
PMU12	Number of the remainder roads and services in the precinct designed and contractor procured in Alabama / Jouberton ext. 19	New project	New project	Designing of the remainder of the internal infrastructure services (roads, storm-water, water, sanitation, streetlights and landscaping) in Alabama / Jouberton ext. 19 precinct and procurement of a turnkey contractor by June 2018 R2 753 060	Detailed designs submitted and approved. Site establishment. Project completed as per scope R 1 018 925		-	-	See PMU9



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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights in Tigane to better service delivery (Phase 4B)					
ELE1	Number of Tigane high mast Lights (Phase 4B)	New project	Erection of steel structures completed. 8 High mast light installed - electrical reticulation and commission R1 534 304	Installing 7 high mast lights in Tigane (Wards 1 & 2) (Phase 4B) by June 2018 R2 254 808	7 High mast light installed - electrical reticulation and commission. R 1 901 546		-	-	N/A
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights in Alabama to better service delivery (Phase 2B)					
ELE2	Number of Alabama High Mast Lights (Phase 2B)	New project	16 High mast light installed - electrical reticulation and commission R3 433 166	Installing 6 high mast lights in Alabama (Wards 3 & 4)(Phase 2B) by June 2018 R2 049 637	6 High mast light installed - electrical reticulation and commission. R 1 245 725		-	-	R685 084 (Roll-over)
NR	INDICATOR	MEASURABLE OBJECTIVE :		To install high mast lights at hot spot areas in Jouberton (Phase 2) to better service delivery					
ELE3	Number of high mast lights installed at hot spot areas in Jouberton (Phase 2)	New project	4 High mast light installed - electrical reticulation and commissioned R874 919	Installing 12 high mast lights at hot spot areas in Jouberton (Phase 2) (as per programme) by June 2018 R3 600 000	12 High mast light installed - electrical reticulation and commission. R 2 781 302		-	-	R401 503 (Roll-over)

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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING									
IDP, MIG, other Grants and Capital Projects		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To electrify Alabama Ext 4 to better service delivery (Phase 2)					
ELE4	Number of houses in Alabama Ext 4 electrified (Phase 2)	New project	Contractor appointed. Material on site, electrification 30% completed R4 686 321	Electrification of 951 Households in Alabama Ext 4 (Phase 2) by March 2018 - R3 500 000	951 Households electrified R 3 105 671		-	-	-
NR	INDICATOR	MEASURABLE OBJECTIVE :		To construct steel base structures of a new MVA substation at Alabama (Phase 3) to maintain the current infrastructure and to cater for the increased effluent demand					
ELE5	Number of steel base structures of a new 20 MVA substation at Alabama (Phase 3) constructed	New project	Contractor appointed. Site construction 90 % completed Substation 30 % completed R 4 186 798	Constructing 4 steel base structures of a new 20 MVA substation at Alabama (Phase 3) by June 2018 R16 000 000	4 Steel base structures constructed. R14 513 255		-	-	R22 000 000

Chapter 3




DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: LIBRARY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improving library services and maintenance					
CF1	Rand value of shortcomings at various libraries improved according to the approved project business plan	Material needs of main and branch libraries purchased (Business plan on POE file) R308 134	Various repairs, purchases and projects e.g. Stationery, Awareness projects, etc. R351 307	Improving library services in terms of operational and capital activities at all 12 libraries according to the approved project business plan by June 2018 R400 000	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R397 550		-	-	R216 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To address shortcomings by improving library services and maintenance					
CF2	Rand value of improvements of library services done	Failed to purchase vehicle for libraries R0	Jouberton library renovated - see business plan R645 844	Improving shortcoming (replacement of carpets & chairs, repair central cooling system etc.) at Klerksdorp Library according to the approved project business plan by June 2018 R800 000	The grant was utilized for improvements for various library equipment, stationary, awareness and repairs R 793 861		-	-	R500 000

Chapter 3





9

Operational / Compliance Indicators





Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: MUNICIPAL MANAGER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		MIG (NDPG & DME included) funding spent to ensure the upgrading and maintenance of infrastructure in the City of Matlosana					
MM1	MIG grants (NDPG & DME included) allocated for the City of Matlosana spent	R16 490 853 spent	R83 195 915 spent	Spending of MIG grants (NDPG & DME included) allocated to the City of Matlosana by June 2018 R 195 043 948	R177 899 965 spent		Slow progress due to restricted working space and fall protection systems required. Late appointment of the Contractor due to signing of the MOU Phase 3 for Vukuphile Learner Contractors Programme by Public Works	Contractor advised to expedite progress. Currently more resources has been put in place. Contractor was advised at the site hand over meeting that was held on 11 June 2018 to expedite progress.	
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: MUNICIPAL MANAGER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
MM3	% Of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 3 Received / 3 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
MM10	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	8 Meetings attended		-	-	12 Meetings




Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: RISK MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct risk assessments on operational risks to ensure good governance and to comply with legislation					
RIS2	Number of Risk Assessment conducted on operational risks	2 Risk Assessments conducted	4 Risk Assessments conducted	Conducting 4 operational risk assessments with Council departments on emerging risks by June 2018	4 Operational risk assessments conducted		-	-	4 Risk assessments
SECTION: INTERNAL AUDIT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct quality assurance improvement programme to comply with legislative requirements					
IA7	Number of Peer-to-peer quality assurance and improvement programme performed	Continuous Development Program not approved yet	1 Assessment Report submitted	Performing 1 peer-to-peer quality assurance and improvement programme to be submitted to MM and AC by June 2018	Peer review performed and assessment report submitted by Dr RM Dist. Municipality		Report not submitted to MM or AC, as the final assessment report was only received from Dr RM District Municipality on 6 July 2018	Assessment report to be submitted to MM and AC in next financial year.	Assessment Report
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
MM4	% of Resolutions implementation within required timeframe	New indicator	New indicator	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	98% 44 Received / 43 implemented		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
MM5	% of all identified high risks mitigated by implementing corrective measures	New indicator	New indicator	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	0% 1 received / 0 mitigated		No strategic objectives identified and adopted	Management to identify and Council to adopt strategic objectives	80%




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DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
MM6	Directorate's 2016/17 Annual Report input provided before tabling of the draft annual report	New indicator	New indicator	Providing the directorate's 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report input
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
MM7	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	New indicator	New indicator	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
MM8	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	New indicator	New indicator	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 3 and 24 April 2018		-	-	Credible 2019/20 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
MM9	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	No SLA's received for comments		-	-	Commented within 7 working days





Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL MANAGER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
MM11	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	20% 5 Received / 1 implemented		Follow-up done, but wastewater treatment license not yet obtained. IT Environment report is still outstanding. Lack of a strategic plan in council.	An expert in the field of geohydrological & technical reports to be appointed by the municipality. Request IT Environment report. Strategic plan to be developed and approved	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
MM12	Number of Audit Steering Committee meetings conducted	New indicator	New indicator	Conducting 6 Audit Steering Committee meetings to improve the audit outcome by June 2018	6 Meetings conducted		-	-	12 Meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
MM13	Number of Performance Management (SDBIP) matters discussed at Top Management meetings	New indicator	New indicator	Conducting 3 performance management meetings (SDBIP) on top management meetings by June 2018	0 Meetings conducted		New directors were appointed on 1 February 2018. SDBIP was not compiled by them, but 3 assessments were conducted	Quarterly SDBIP meetings to be conducted in the next financial year	12 Meetings




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DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2016/17 Annual Performance Report (Unaudited Annual Report) to comply with section 46 of the MSA					
PMS1	2016/17 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager	2014/15 Annual Performance Report approved by Municipal Manager	2015/16 Annual Performance Report approved by Municipal Manager on 29 August 2016 MM 234/2016	Approving 2016/17 Annual Performance Report (Unaudited Annual Report) by Municipal Manager by August 2017	2016/17 Annual Performance Report (Unaudited Annual Report) approved by the MM – 31/08/2017. CC153/2017 dated 26/09/2017		-	-	2017/18 Annual Performance Report approved by MM
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2016/17 Annual Performance Report (Unaudited Annual Report) to comply with section 121 and Circular 63 of MFMA					
PMS2	2016/17 Annual Performance Report (Unaudited Annual Report) tabled before Council	Draft / Unaudited 2015/16 Annual Report approved by Administrator MM 135/2015 & ADM 31/2015 dated 31 August 2015	2015/16 Annual Performance Report (Draft / Unaudited 2015/16 Annual Report) approved by Council on 30 August 2016 CC 60/2016	Tabling the 2016/17 Annual Performance Report (Unaudited Annual Report) before Council by 30 September 2017	2016/17 Annual Performance Report (Unaudited Annual Report) tabled - CC154/2017 dated 26/09/2017		-	-	2017/18 Annual Performance Report approved by Council
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the 2017/18 Mid-Year Assessment Report to comply with section 72 of the MFMA					
PMS4	2017/18 Mid-Year Assessment Report approved by the Executive Mayor	2015/16 Mid-Year Assessment Report approved CC 2/2016 dated 29 January 2016	2016/17 Mid-Year Assessment Report approved. EM02/2017 dated 23/01/2017 C16/2017 dated 31/01/2017	Approving the 2017/18 Mid-Year Assessment Report by the Executive Mayor by 23 January 2018	2017/18 Mid-Year Assessment Report approved. MM 6/2018 dated 22/01/2018 Executive Mayor on 26/01/2018		-	-	2018/19 Mid-Year Assessment Report approved




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DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PERFORMANCE MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2018/19 SDBIP to comply with legislation					
PMS5	Draft 2018/19 SDBIP tabled by Council	Draft 2016/17 SDBIP tabled CC 17/216 dated 31 May 2016	Draft 2017/18 SDBIP tabled. CC103/2017 dated 31/05/2017	Tabling draft 2018/19 SDBIP by Council by May 2018	Draft 2018/19 SDBIP tabled. CC49/2018 dated 30/05/2018		-	-	Draft 2019/20 SDBIP tabled
SECTION: INTEGRATED DEVELOPMENT PLAN									
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	3 Community consultations meetings conducted	2 Community consultations meetings conducted	Conducting 2 community consultations meetings by May 2018	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 2018	2 Rep Forum meetings conducted		-	-	2 Rep Forum meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the draft 2018/19 Reviewed IDP to comply with legislation					
IDP4	Table the draft 2018/19 Reviewed IDP in Council	Draft 2016/17 IDP tabled CC 6/2014 dated 29 April 2016	Draft 2017/22 IDP tabled on 30 March 2017 CC 54/2017	Tabling the draft 2018/19 Reviewed IDP in Council by March 2018	Draft 2018/19 Reviewed IDP tabled. CC35/2018 dated 20 April 2018		Due to the Budget not being MSCOA compliant. Budget office requested an extension period for tabling from National Treasury	Draft IDP was tabled on 20 April 2018	Draft 2019/20 IDP Amendments tabled




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DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: RISK MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk management report to the Risk Management Committee to ensure good governance					
RIS1	Number of risk management reports 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 2018	4 Risk management reports submitted		-	-	4 risk management reports
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To monitor the municipality's performance and financial situation by conducting regular MPAC meetings					
MPAC1	Number of MPAC (s 79) meetings to monitor the performance and financial situation in the City of Matlosana conducted	13 Public participation (s 79) meetings conducted	15 Public participation (s 79) meetings conducted	Conducting 30 public participation (s 79) meetings to monitor the performance and financial situation in the City of Matlosana by June 2018	30 Public participation meetings conducted		-	-	30 public participation (s 79) meetings
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	6 MPAC progress reports submitted	Issuing 8 MPAC progress reports to council which assess the efficiency and effectiveness of performance and finances achieved by council by June 2018	8 MPAC progress reports issued		-	-	10 MPAC progress reports



Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by conducting (s32) meetings					
MPAC2	Number of (s 32) meetings conducted to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation	1 Section 32 meetings conducted	10 Section 32 meetings conducted	Conducting 10 section 32 meetings to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by June 2018	10 Section 32 meetings conducted		-	-	15 section 32 meetings
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	1 Public participation meeting conducted	2 Public Participation Preparatory meetings and 1 Public Participation Meeting	Conducting 1 public participation meeting on the results of the Annual Report by March 2018	1 Public participation meeting conducted - 13 March 2018		-	-	1 public participation meeting
SECTION: INTERNAL AUDIT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct Audit Committee meetings to ensure good governance					
IA1	Number Audit Committee meetings held to ensure an effective discharging of responsibilities	6 Audit Committee meetings held	8 Audit Committee meetings held	Holding 4 Audit Committee meetings to ensure an effective discharging of responsibilities by June 2018	4 Audit Committee and 2 Special Audit Committee meetings held		-	-	4 Audit Committee meetings




Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INTERNAL AUDIT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To issue audit performance information reports to ensure compliance with legislation					
IA2	Number of audit of performance information 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 audit of performance information reports to the Audit Committee to assess the efficiency and effectiveness of performance achieved by Council by June 2018	4 Audit of performance information reports issued		-	-	4 Audit of performance information reports issued
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	4 Progress reports on the IA action plan register submitted to Audit Committee	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 2018	4 Internal audit progress reports submitted		-	-	4 Internal audit progress report submitted
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 2018	4 Activity reports issued		-	-	4 Activity reports issued





Chapter 3

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INTERNAL AUDIT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
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 2016/17 Audit Charter adopted	Reviewed 2017/18 Audit Charter adopted	Adopting the reviewed IA Charter (2018/19) in accordance with IIA standards by June 2018	IA Charter (2018/19) reviewed and adopted by Audit Committee during meeting held on the 26 June 2018		-	-	Reviewed 2019/20 Internal Audit Charter
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit a Risk Based Audit Plan to ensure good governance					
IA6	3-Year Risk Based Audit Plan 2018/19 submitted to the Audit Committee for approval	3-Year Risk Based Audit Plan 2016/17 submitted to Audit Committee	3-Year Risk Based Audit Plan 2017/18 submitted to Audit Committee	Submitting a 3-Year Risk Based Audit Plan 2018/19 to the Audit Committee for approval by June 2018	3-Year Risk Based plan submitted to Audit Committee during meeting held on the 26 June 2018 approved with amendments		-	-	3-Year Risk Based Audit Plan 2019/20





Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: BUDGET OFFICE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
BUD16	Rand value income collected from electricity sales	R493 768 453 collected	R471 401 979 collected	Collecting income from electricity sales (conventional meters) by June 2018 R555 000 000	R529 611 642 collected		The difference is because of the revenue foregone (FBS). Less people registered for indigent subsidy that budgeted for	In the 2018/19 mSCOA budget, revenue foregone (FBS) is differently budgeted for. The number of indigent persons need to increase to have the desired results	R636 082 742
BUD17	R value income collected from pre-paid electricity sales	R14 664 315 collected	R0 collected	Collecting income from pre-paid electricity sales by June 2018 R15 000 000	R10 368 410 collected		Reduction in pre-paid sales as most people convert to power cards	Budget to be adjusted in 2018/19 if necessary.	R16 175 000
BUD18	R value income collected from water sales	R314 535 040 collected	R279 167 006 collected	Collecting income from water sales (conventional meters) by June 2018 R430 000 000	R272 759 791 collected		Lower water sales than budgeted for the quarter. The good rains for the quarter having an impact on the water sales. Overstatement of Free Basic Services water budget	In the 2018/19 mSCOA budget, revenue foregone (FBS) is differently budgeted for. The number of indigent persons need to increase to have the desired results.	R57 816 764




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DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
CFO1	% Of external audit queries answered within required time frame	85% Audit queries answered (164 received / 139 answered)	91.3% Audit queries answered (207 received / 189 answered)	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 115 Received / 115 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To resolve prior year's audit qualification from the audit report (Audit Action Plan)					
CFO2	Number of 2016/17 audit qualifications resolved from the Auditor-General	3 Qualifications resolved 85%	2 Qualifications 100% resolved	Resolving qualification number 6 on the 2016/17 Auditor-General's report by June 2018	Qualification number 6 resolved by adjustment of the IE register		-	-	1 Qualification
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
CFO9	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	8 LLF meetings attended		-	-	12 LLF meetings
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: BUDGET OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all applicable budget related documents are published on the municipal website as required by the MFMA					
BUD15	Percentage of approved budget related documents published on municipal website	100%	100% 4 Approved / 4 published on website	Publishing 100% of all approved budget related documents on the municipal website by June 2018	100% 4 Approved / 4 published on website		-	-	100%


Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: ASSET MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all municipal assets are accounted for					
ASS1	2017/18 Asset count completed and reported	Asset count and report to municipal manager	Asset count completed and report to municipal manager	Completing the 2017/18 asset count and submitting report to municipal manager by June 2018	2017/18 Asset count completed and report to municipal manager		-	-	2018/19 Asset count completed
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance a clean audit					
ASS2	Percentage of the 2016/17 Asset register reconciled	2014/15 Asset register 100% reconciled to FS R101 128 268	2015/16 Asset Register 100% reconciled. As per 2015/16 Annual Financial Statements	Reconciling the 2016/17 asset register 100% to the financial statements by August 2017	100% Reconciled and submitted to AG		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with GRAP17					
ASS3	Percentage of all identified assets registered in the asset register	100%	100%	Ensuring that 100% of all identified assets are registered in the asset register by June 2018	100%		-	-	100%
SECTION: REVENUE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain the current valuation roll to comply with legislation					
RM2	Existing valuation roll maintained	Updating categories and tariffs R692 642	Updating of categories and tariffs are completed R45 150	Maintaining the existing valuation roll with supplementary entries by June 2018	Updating of supplementary categories and tariffs completed for 2017/18 financial year		-	-	90%





Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: REVENUE MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	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	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	Improving revenue enhancement by identifying areas where council is not billing or is billing incorrectly by June 2018	Meter data where identified and updated (Matching of properties, charging basic fees, updating ownership, linking meters to rightful users		-	-	-
SECTION: EXPENDITURE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control credit management to ensure timeous payment of creditors and service providers					
EXP1	Percentage payment within 30 days from date of invoice / statement	85% (Estimated 3000 creditors and 2500 were paid)	70% (70% on bulk services and 70% on other creditors)	Settling 65% of all payments (creditors) done within 30 days of receipt of invoice / statement by June 2018	50% R2 563 164 457		Low collection rate	Improved credit control to increase our collection rate. Implementation of revenue enhancement plan.	65%
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
CFO3	Percentage of Resolutions implementation within required timeframe	100% 50 Received / 50 Implemented	100% 19 Received / 19 Implemented	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	91% 23 Received / 21 Implemented		-	-	85%




Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
CFO4	Percentage of all identified high risks mitigated by implementing corrective measures	45.45% (11 received / 5 mitigated)	100% 3 Received / 3 mitigated (Status quo – 0 high risks)	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	0% 3 Received / 0 mitigated		Due to skills shortage and financial challenges not all risks could be mitigated	A skills audit needs to be performed to ensure that Finance Personnel are in correct positions according to their qualifications. This will be a lengthy process and unions will need to be engaged as staff members will need to be placed in other positions possibly in other departments. The reliability on consultants at this stage is due to staff not being able to assist in all required areas. Other challenges also include the organogram that needs to be adopted to ensure that all sections have the required positions.	85%




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DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
CF05	Directorate's 2016/17 Annual Report input provided before tabling of the draft annual report	Credible 2015/16 Annual Report input provided	Credible 2015/16 Annual Report input provided	Providing the directorate's 2016/17 Annual Report input before the draft annual report is tabled by 10 December 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
CF06	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	Credible 2016/17 IDP inputs provided	Credible 2017/18 IDP inputs provided	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
CF07	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	Credible 2016/17 SDBIP inputs provided	Credible 2017/18 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided		-	-	Credible 2019/20 SDBIP
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
CF08	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 1 Received / 1 commented		-	-	100%




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DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: CHIEF FINANCIAL OFFICER									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
CFO10	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	33% 6 Received / 2 implemented		June 2018 portfolio meetings were postponed to July 2018	SCM to complete their reports. All reports to be submitted at July 2018 meeting	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
CFO11	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	6 Audit Steering Committee meetings attended		-	-	12 Meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
CFO12	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	0 Meetings conducted		Due to the catch up process, the directorate was unable to meet. All working towards finalising the catch-up process in order to adhere to the AFS deadline	These meetings will be priority in the new financial year	12 Meetings





Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: BUDGET OFFICE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD5	2018/19 Budget planning process time table tabled	2016/17 Budget Process Plan submitted tabled. ADM 29/2015 dated 31/08/2015	2017/18 Budget Process Plan tabled. CC 55/2016 dated 30 August 2016	Tabling the 2018/19 budget planning process time table by 31 August 2017	2018/19 Budget Process Plan tabled. CC 140/2017 dated 29/08/2017		-	-	2019/20 Budget Process Plan
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD6	2018/19 Draft budget approved	2016/17 Draft budget approved. CC 7/2014 Tabled 29 March 2016	2017/18 Draft budget approved. CC 14/2017 dated 30/3/2017	Approving the 2018/19 draft budget by 31 March 2018	2018/19 Draft budget approved. CC34/2018 dated 20 April 2018		Due to mSCOA budget conversion not completed on time, the Draft Budget could not be approved on 31 March 2018	Ensure a mSCOA system for the 2018/19 financial year	2019/20 Draft budget
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the Adjustment Budget to comply with legislation					
BUD9	2017/18 Adjustment budget approved	2015/16 Adjustment budget approved. CC 5/2016 on 29/02/2016	2016/17 Adjustment Budget approved. CC 37/2017 dated 28/02/2017	Approving the 2017/18 adjustment budget by 28 February 2018	2017/18 Adjustment Budget Approved CC 59/2018 dated 28 June 2018		The adjustment budget was only tabled at the end of the quarter after the S72 report was submitted and approved by Council	Comply with 2018/19 budget implementation plan	2018/19 Adjustment Budget



Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SUPPLY CHAIN MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
SCM1	Percentage of SLA are signed to all allocated tenders	75%	89.3% 28 Received / 25 signed	Ensuring 100% of all allocated tenders / projects are forwarded to Legal for SLA to be signed by June 2018	100% 27 Tenders awarded / 27 forwarded		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To review and approve the 2018/19 SCM policy in order to comply with legislation					
SCM2	2018/19 Supply Chain Management Policy reviewed and approved	SCM policy internally reviewed	Reviewed and approved SCM policy. CC45/2017 dated 31 May 2017	Reviewing and approving the 2018/19 Supply Chain Management Policy by June 2018	Reviewed Supply Chain Management Policy workshopped and approved. CC 47/2018 on 30 May 2018		-	-	-
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all supply chain management awards are published on the municipal website as required by the MFMA					
SCM3	Percentage of supply chain management awarded for publishing on the municipal website	New indicator	0 % contracts published on municipal website only tenders were placed on municipal website	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 2018	100% 27 Approved / 27 forwarded		-	-	100%




Chapter 3

DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SUPPLY CHAIN MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM4	Percentage of all service requests specifications documents successfully completed	New indicator	10 Specification committee meetings conducted	Completing at least 90% of all service requests specifications documents successful by June 2018	100% 37 Tenders received / 37 successfully completed		-	-	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM5	Percentage of all received tender documents successfully evaluated	14 Evaluation committee meetings conducted	13 Evaluation committee meetings conducted	Evaluating at least 90% of all received tender documents successful by June 2018	100% 29 Tenders received/ 29 evaluated		-	-	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement Internal Co-operation and Controls to ensure compliance with legislation					
SCM6	Percentage of all evaluated tenders successfully adjudicated	15 Adjudication committee meetings conducted	13 Adjudication committee meetings conducted	Adjudicating at least 90% of all evaluated tenders successful by June 2018	100% 31 Tenders received / 31 adjudicated		-	-	90%
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	5 SCM workshop conducted	Conducting 4 SCM capacity building workshops for council employees by June 2018	6 SCM capacity building workshops conducted		-	-	4 SCM capacity building workshops




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DIRECTORATE: BUDGET AND TREASURY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: SUPPLY CHAIN MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To implement a Supply Chain Management policy to comply with legislation					
SCM8	Number of reports on the implementation of the Supply Chain Management policy submitted and made public	New indicator	3 Quarterly reports	Submitting 4 quarterly reports on the implementation of SCM policy to council and make public by June 2018	4 Quarterly reports submitted and made public		-	-	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 indicator	11 Regulation 36 procurements	Minimizing procurements awarded in terms of Regulation 36 from 12 to 6 by June 2018	15 Regulation 36 awards		Permissible Regulation 36 awards had to be made due to emergency, sole provision of services and extensions	The updated and approved 2018/19 SCM Policy address the issue	-





Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: WATER SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To clean reservoirs and pressure towers to comply with legislation					
WAT5	Number of reservoirs and pressure towers cleaned	9 Reservoirs cleaned	1 Reservoirs cleaned	Cleaning 24 reservoirs and 12 pressure towers in the KOSH area by June 2018 R3 500 000	2 Reservoirs cleaned R761 305		Specialised equipment required for cleaning and the procurement and/or hiring thereof was delayed	Hiring of equipment has concluded to the value of R171 777.00 This will ensure positive progress which will overlap into the 2018/19 FY	26 Reservoirs cleaned
NR	INDICATOR	MEASURABLE OBJECTIVE :		To obtain at least 85% of the Blue Drop status to improve water quality and water management and to comply with legislation					
WAT6	A minimum standard of 85% Blue Drop status obtained	Remain 95.35%. Blue Drop results not published since 2013	94.62% Monthly compliance documentation submitted to DWA	Obtaining a minimum standard of 85% Blue Drop status by June 2018	Monthly compliance documentation submitted to DWS. Blue drop status (%) not announced since 2013		DWS has not concluded on the timelines for assessments. The biennial WISA conference held on 24 June 2018 was expected to yield a date for assessments.	Form a Blue and Green Drop Forum at District level for Municipalities to Benchmark with each other and be kept up to date with assessment readiness	95%
SECTION: SANITATION SERVICES									
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	15.17 Km of main sewers cleaned	20.1 Km of main sewers cleaned	Cleaning 30 km of main sewers as per program in the City of Matlosana municipal area by June 2018	30.60 Km of main sewers cleaned		-	-	120 Km main sewers cleaned




Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: SANITATION SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the Green Drop score for improved waste water quality management					
SAN6	A minimum standard of 45% Green Drop score obtained	39.85% Results for the 2013 Green Drop score	49.26% Monthly compliance documentation submitted	Obtaining a minimum score of 45% for the Green Drop programme by June 2018	Monthly compliance documentation submitted to DWS. Green drop status (%) not announced since 2013		DWS has not concluded on the timelines for assessments. The biennial WISA conference held on 24 June 2018 was expected to yield a date for assessments	Form a Blue and Green Drop Forum at District level for Municipalities to Benchmark with each other and be kept up to date with assessment readiness	45%
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 KOSH area conducted	4 WWTP risk assessments conducted	3 Risk assessments conducted R55 200	Conducting 2 risk assessments on 2 WWTPs in the City of Matlosana municipal by June 2018 R100 000	2 Risk assessments conducted R0		-	-	-
SECTION: ELECTRICAL ENGINEERING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE10	Percentage of Electricity losses eliminated	24.7%	24%	Eliminating electricity losses from 24% to 23% by June 2018	16%		-	-	15%





Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE11	Percentage of low voltage complaints resolved	94% Low voltage complaints resolved. (7 202 received / 6 770 resolved)	96% Low voltage complaints resolved. (7 123 received/ 6 852 resolved)	Resolving at least 90% of all low voltage complaints in the City of Matlosana licensed area (telephonic, written and verbal) received by June 2018	95.58% Low voltage complaints resolved (4 791 Received / 4 579 resolved)		-	-	95%
ELE12	Percentage of medium voltage forced interruptions complaints resolved	100% Medium voltage forced interruptions resolved (354 received / 354 resolved)	100% Medium voltage forced interruptions resolved. (332 received/ 332 resolved)	Resolving at least 100% of all medium voltage forced interruptions in the City of Matlosana licensed area by June 2018	100% Medium voltage forced interruptions resolved (381 Received / 381 resolved)		-	-	100%
ELE13	Percentage of street lights complaints resolved	90% Street lights complaints resolved. (2 623 received / 2 357 resolved)	67% Street lights complaints resolved. (2 384 received/ 1 589 resolved)	Resolving at least 50% of all street lights complaints in the City of Matlosana licensed area (telephonic, written and verbal) received by June 2018	45% Street lights complaints resolved (1 766 Received / 789 resolved)		Non-availability of material in stores. Standing vehicles	Appointed contractors to assist with backlog	50%
ELE14	Percentage of high mast light complaints resolved	79% High mast lights complaints resolved. (121 received / 96 resolved)	80% High mast lights complaints resolved. (188 received/ 150 resolved)	Resolving at least 75% of all high mast lights complaints in City of Matlosana licensed area (telephonic, written and verbal) received by June 2018	86.1% High mast lights complaints resolved (345 Received / 297 resolved)		-	-	85%





Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: ELECTRICAL ENGINEERING									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To maintain existing infrastructure					
ELE15	Percentage of traffic control signals complaints resolved	100% Traffic control signal complaints resolved (103 received / 103 resolved)	100% Traffic control signal complaints resolved (175 received/ 175 resolved)	Resolving 100% of all traffic control signals complaints in the City of Matlosana licensed area (telephonic, written and verbal) received by June 2018	100% Traffic control signal complaints resolved (135 Received / 135 resolved)		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To investigate possible fraud and illegal tampering to Council's assets					
ELE16	Percentage of electricity meter tampering investigations complaints resolved	77% Electricity meter tampering investigations resolved (278 received / 214 resolved)	49% Electricity meter tampering investigations resolved. (255 received/ 125 resolved)	Resolving at least 90% of all electricity meter tampering investigations, as received from finance by June 2018	71.54% Electricity meter tampering investigations resolved (123 Received / 88 resolved)		Homeowners denies access to the property. Community intimidation hamper investigation. Lack of transport.	Provide security to inspectors. Place electricity meters outside the yard. Vehicles to be repaired	60%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective fleet operations					
ELE19	Percentage of all vehicles complaints received resolved	New indicator	73% Vehicle complaints resolved. (1 773 received/ 1 290 resolved)	Resolving 50% of all vehicles complaints received by June 2018	16.93 % Vehicle complaints resolved (1 985 Received / 336 resolved)		Non-payment to the service providers resulting in late receiving of the vehicles	Appointment of service provider who will provide spare parts to do most of the work in-house instead of outsourcing which will limit the issue of service providers with holding services due to non-payment	50%




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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
DT11	% Of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 10 Received / 10 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DT18	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	6 Meetings attended		Too many senior vacancies in directorate and acting director could not attend all scheduled meetings	Problem will be rectified once a director is appointed	12 Meetings
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DT12	% of Resolutions implementation within required timeframe	81% (32 Received / 26 Resolved)	93% (28 Received / 26 implemented)	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	96% 100 Received / 96 implemented		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DT13	% of all identified high risks mitigated by implementing corrective measures	92% (12 received / 11 mitigated)	36% 11 Received / 4 mitigated (Status quo – 8 high risks)	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	17% 12 Received / 2 mitigated		Lack of adequate funding. Lack of forward planning. SCM delays	All procurement process to start and conclude before the beginning of financial year	80%





Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
DT14	Directorate's 2016/17 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 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DT15	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	Credible 2016/17 IDP inputs provided	Credible 2017/18 IDP inputs provided	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
DT16	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	Credible 2016/17 SDBIP inputs provided	Credible 2017/18 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 4 and 5 April 2018		-	-	Credible 2019/20 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DT17	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 26 Received / 26 Commented		-	-	100%





Chapter 3

DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
DT19	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	0% 1 Received / 0 implemented		Council does not dispose over specialized skills. Need specialist to assist	Initiation meeting held with Department of Water and Sanitation on 10 April 2018. Specialist to be appointed	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DT110	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	7 Audit Steering Committee meetings attended		-	-	18 Audit Steering Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
DT111	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	3 SDBIP meetings conducted		-	-	12 SDBIP meetings





Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
DCS1	% Of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 3 Received / 3 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCS8	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	8 Meetings attended		-	-	12 Meetings
SECTION: OCCUPATIONAL HEALTH AND SAFETY									
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 2018	122 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 OHS audits conducted	2 OHS audits conducted	2 OHS audits conducted	Conducting 2 OHS Audits by June 2018	2 OHS audits conducted		-	-	2 OHS audits

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DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: SKILLS DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with WSP legislation					
SKIL5	Annual WSP / ATR submitted to LGSETA	2016/2017 WSP and ATR 2015/2016 document was submitted on the 30th April 2016	2017/18 WSP / 2016/17 ATR submitted electronically on 30 April 2017	Submitting 2018/19 WSP / 2017/18 ATR to LGSETA by April 2018	2018/19 WSP / 2017/18 ATR to LGSETA submitted		-	-	WSP & ATR 2018/2019
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with EE legislation					
SKIL6	Employment Equity Report submitted to the Department of Labour	2014/15 EE report submitted to the DoL on 19 January 2016	2016/2017 EE report was submitted electronically to the DoL	Electronically submitting the 2018/19 Employment Equity Report to DoL by 15 January 2018	2018/19 EE Report was electronic submitted to DoL on 14/01/2018		-	-	2019/20 EE report submitted to DoL
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	4 EECF consultative meetings conducted	1 EECF consultative meeting conducted	Conducting 4 EECF consultative meetings by June 2018	5 EECF consultative meetings conducted		-	-	4 EECF consultative meetings
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 in directorates	Currently there are 8 Officials from Finance Department undergoing MFMP Training Programme	Skills Audit was conducted to all Municipal Employees	Identifying the skills gaps of all level 1 - 6 employees in four directorates and capacitating 100% of them of by June 2018	Skills gaps identified for one Directorate (Finance Services and SCM)		DLG&HS was contacted regarding a Skills Audit with response on the 28/06/2018 indicating that the department is facilitating revision session with CoGTA.	Request DLG&HS to speed up the promised scheduled dates for a Skills Audit for City of Matlosana	Skills gaps identified for six Directorate

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DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: EMPLOYEE ASSISTANCE PROGRAMME									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
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 sessions conducted	Conducting 4 life skills training session for council employees by June 2018	4 Life skills training sessions conducted		-	-	4 Life skills training session
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 R20 000	Conducting 2 wellness events for council employees by June 2018	2 Wellness events conducted		-	-	2 Wellness events
SECTION: LABOUR RELATIONS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To convene LLF meetings to ensure industrial harmony					
LR1	Number of LLF meetings convened	7 LLF meetings conducted	8 LLF meetings conducted	Convening 8 LLF meetings by June 2018	8 LLF meetings convened		-	-	12 LLF meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct training sessions on institution of disciplinary action to ensure effective conclusion of disciplinary matters					
LR2	Number of training sessions for post level 1 - 5 employees on institution of disciplinary action conducted	1 Training session conducted	2 Training in Disciplinary hearing and procedure were conducted	Conducting 2 training sessions for post level 1 - 5 employees on Schedule 8 of the Labour Relations Act on disciplinary procedures by June 2018	2 Training sessions conducted		-	-	2 Training sessions

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DIRECTORATE: CORPORATE SUPPORT



KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

SECTION: OFFICE OF THE SPEAKER




Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with MSA 32 of 2000 Chapter 6 sec 42 to evaluate on service delivery rendered by council					
SPE3	Number of public satisfaction reports submitted to council	A survey was conducted and report compiled but still to be submitted to council	1 Public satisfaction report to council	Submitting 4 public satisfaction reports to council to identify and evaluate service delivery within KOSH area by June 2018	4 Public satisfaction reports submitted		-	-	4 Public satisfaction reports

KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT





SECTION: OFFICE OF THE EXECUTIVE MAYOR

NR	INDICATOR	MEASURABLE OBJECTIVE :		To award matric excellency awards to students in KOSH area to assist with education					
EM2	Number of matric excellency awarded to students in KOSH area to assist with education	Awards awarded R 640 000	27 Awards awarded R485 000	Awarding 22 matric excellency awards to students in KOSH area to further their studies by March 2017 R640 000	22 Learners awarded with bursaries R445 000		-	-	Matric excellency awards
NR	INDICATOR	MEASURABLE OBJECTIVE :		To award and monitor bursaries and awards to students in KOSH area to assist with education					
EM3	Number of financially needed students in the KOSH area awarded and monitored	55 Financially needed students awarded R682 500	77 students were awarded R942 142 Monitoring was done telephonically	Awarding and monitoring 62 financially needy students in the KOSH area to further their studies by June 2018 R1 350 000	No awards awarded R0		Bursary Committee did not sit due to unavailability of Committee members and the Portfolio Committee for June 2018 postponed to July 2018	The Bursary report to be submitted for discussion during July 2018 on agenda of Transversal Issues subcommittee	Financially needed students awards





Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: ADMINISTRATION									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
ADM4	Rand value income collected from rental of council halls	R511 045 collected	R446 539 collected	Collecting income on the rental of council halls by June 2018 - R357 983	R344 421 collected		Many bookings made free of charge in terms of Council's policy	Tariffs reviewed during 2018/19 budget process and effective from 1 July 2018	R376 956
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DCS2	% of Resolutions implementation within required timeframe	90%	92% 39 Received / 36 Implemented	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	78% 85 Received / 65 implemented		Portfolio Committee meetings not held in June.	To be submitted at next CORS Portfolio meeting	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCS3	% of all identified high risks mitigated by implementing corrective measures	86.92% (13 received / 10 mitigated)	0% 2 Received / 0 mitigated (Status quo – 2 high risks)	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	33% 3 Received / 1 mitigated		Top Man meeting not held to discuss OHS. Skills Gap capturing not yet done. Skilled Gap Audit not yet implemented. Awaiting DLG&HS to finalise Skills Gap capturing.	OHS reports will be included in Top Man agenda. Matter to be finalized 30/6/18. Capturing to be done by 31/5/18 request made. Continue engagements with DLG&HS	80%





Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
DCS4	Directorate's 2016/17 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 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCS5	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	Credible 2016/17 IDP inputs provided	Credible 2017/18 IDP inputs provided	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
DCS6	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	Credible 2016/17 SDBIP inputs provided	Credible 2017/18 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 3 April 2018		-	-	Credible 2019/20 SDBIP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DCS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 1 received / 1 commented		-	-	100%




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DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR CORPORATE SUPPORT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
DCS9	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	0% 4 Received / 0 implemented		Leave policy reviewed to be workshopped & adopted by Council. Organogram still outstanding.	Strat plan date 18-20 July 2018. Leave Policy to be held 28 August 2018.	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DCS10	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	6 Audit Steering Committee meetings attended		-	-	18 Audit Steering Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
DCS11	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	3 SDBIP meetings conducted		-	-	12 SDBIP meetings
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	50 (sec. 80) committees meetings and 6 special meetings conducted	60 (sec. 80) committees meetings and 10 special meetings conducted	Conducting 60 (sec.80) committee meetings (Portfolio Meetings) by June 2018	75 (sec.80) committee meetings conducted		-	-	60 (sec.80) committee meetings


Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: ADMINISTRATION									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
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	5 Administrator meetings conducted	18 Mayoral Committee meetings conducted	Conducting 18 Mayoral Committee meetings (special meetings included) by June 2018	22 Mayoral Committee meetings conducted		-	-	18 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	8 Council meetings conducted	7 Council meetings and 17 Special Council meetings conducted	Conducting 18 Council meetings (special meetings included) by June	19 Council meetings conducted		-	-	18 Council meetings
SECTION: LEGAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the Council's Contract Register to ensure proper control and keeping record of contracts					
LEG1	Contract management register managed and relevant departments informed within 3 months of expiry of contracts	Notices were issued. Register was updated	4 Notices issued. Updated Register. Progress report to Council.	Managing the Contract Register of Council and informing relevant departments of expiry dates of contracts within 3 months of expiry of the contract by June 2018	25 Notices and 5 reminders issued. Updated contract register		-	-	Managed and updated contract register
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LEG2	Percentage of SLA are signed to all allocated tenders, as received from SCM	100%	94% 16 Documents received / 15 SLA's signed	Ensuring 100% SLA are signed to all allocated tenders / projects as received from SCM by June 2018	100% 94 Received / 94 signed		-	-	100%




Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: INFORMATION COMMUNICATION TECHNOLOGY									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure effective IT systems for municipal processes					
ICT1	% of IT queries responded to within 10 working days	94% (2 423 received / 2 281 resolved)	97% (1 719 received / 1 665 resolved)	Responding to 85% of all IT queries received within 10 working days by June 2018	98.57% 1 962 Received / 1 934 responded		-	-	85%
SECTION: OFFICE OF THE EXECUTIVE MAYOR									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a Mandela Day event to do goodwill to each other					
EM4	Number of Mandela Day events hosted	Mandela Day hosted on 18 July 2015 R14 654	Mandela Day event hosted on July 2016 R 22 500	Hosting 1 Mandela Day event by July 2017 R 40 000	Some Councillors submitted names of 2 elderly people in their ward to distribute blankets to, but blankets not handed over to yet - R 17 940		Only 64% of councillors has responded yet	Blankets to be distributed throughout Mandela month	1 Mandela Day
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host a Youth Day event to enhance youth public participation					
EM5	Number of Youth Day events hosted	New indicator	New indicator	Hosting 1 Youth Day event by June 2018 R95 000 R100 000	1 Youth Day event hosted on 16 June 2018 at Brazil Stadium R69 880 1 Youth Summit hosted on 23 June 2018 at Ballroom Hall R66 000		-	-	1 Youth Day event





Chapter 3

DIRECTORATE: CORPORATE SUPPORT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: OFFICE OF THE SINGLE WHIP									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct RHR (Reconciliation, Healing and Renewal) workshops as per national legislation to promote social development within communities					
WHI1	Number of RHR (Reconciliation, Healing and Renewal) workshops and events in KOSH conducted	2 Workshops and 1 community event conducted. R93 440	2 Workshops and 2 community events conducted. R267 275	Conducting 6 RHR (Reconciliation, Healing and Renewal) workshops and 4 community events (as per programme) in KOSH by June 2018 R265 000	3 Workshops and 4 events conducted R134 500		Targeted audience could not be reached for the planned activities. Targets were set to high for 2017/18	Realistic targets to be set for the 2018/19 financial year	3 Workshops and 4 events




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: REFUSE REMOVAL									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To purchase mass containers to enhance efficiency and replace old / broken containers					
WM5	Number of plastic containers (240ℓ) & (85ℓ) for the KOSH area purchased	New project	Tender was re-advertised. R0	Purchasing of 285 x 240ℓ and 1 050 x 85ℓ dustbins for the KOSH area by June 2018 R530 500	285 x 240ℓ and 1 050 x 85ℓ dustbins purchased R499 422		-	-	-
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
DCD1	Percentage of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 1 Received / 1 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DCD8	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	7 Meetings attended		Attended interview at Library during the 30 November 2018 meeting	Will make the necessary arrangements in future for a senior official to attend on behalf of the Director	12 Meetings





Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: PARKS AND CEMETARIES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To advance aviation facilities to the community and to comply with legislation					
IEMCF1	Number of annual airport licenses approved	PC Pelser Airport license renewed R4 310	PC Pelser Airport license renewed R4 640	Renewing 1 annual PC Pelser Airport license to obtain authority to operate an airport by June 2018 R6 000	1 PC Pelser Airport license renewed. R4 590		-	-	1 PC Pelser Airport license renewed
SECTION: OCCUPATIONAL HEALTH									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance healthy lifestyles and improve health of employees					
HEA1	Number of health promotions programmes conducted	New indicator	New indicator	Conducting 8 health promotions programmes as identified by June 2018	8 Health promotions programmes conducted		-	-	8 Health promotions programmes
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure compliance with Compensation of Occupational and Injuries Deases Act (COIDA) to prevent legal litigations					
HEA2	Annual COIDA assessment process administrated	New indicator	New indicator	Administrating 1 annual COIDA assessment process by June 2018 R3 183 000	The annual COIDA assessment process administered R5 359 222		-	-	Annual COIDA assessment process
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure compliance with the Occupational Health and Safety Act to prevent illness					
HEA3	Number of directorates annual hepatitis immunisation conducted	New indicator	New indicator	Conducting 3 directorates annual hepatitis immunisation for council employees by June 2018	Tetanus Toxoid was given to 3 directorates and a Hepatitis B programme was followed		-	-	3 Directorates annual hepatitis immunisation





Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: SPORT AND RECREATION									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
CF12	Rand value income collected from rental agreements sport grounds	R33 937 collected	R155 725 collected	Collecting income from rental agreements of sport grounds by June 2018 R270 000	R 266 216 collected		Some sport clubs have not paid their rent yet	Outstanding payments to be made in next financial year	R210 600
DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DCD2	Percentage of Resolutions implementation within required timeframe	New project	75% 57 Received / 43 Implemented	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	87% 90 Received / 78 implemented		-	-	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DCD3	Percentage of all identified high risks mitigated by implementing corrective measures	New project	27% 15 Received / 4 mitigated	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	50% 4 Received / 2 mitigated		Lack of security at Kanana and Khuma stadiums and vehicles shortages. A business plan has been developed and preliminary approved by the provincial Department of Sports, Arts and Culture	Additional security arranged for Kanana and Khuma Stadiums. 3 Bakkies have been allocated to the Directorate Community Development (1 Sports, 1 Cleansing, 1 Parks)	80%





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DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
DCD4	Directorate's 2016/17 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 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DCD5	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	Credible 2016/17 IDP inputs provided	Credible 2017/18 IDP inputs provided	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
DCD6	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	Credible 2016/17 SDBIP inputs provided	Credible 2017/18 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 6 April 2018		-	-	Credible 2019/20 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DCD7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 4 received/ 4 commented		-	-	100%




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR COMMUNITY DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
DCD9	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	No Audit Committee resolutions received		-	-	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DCD10	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	6 Audit Steering Committee meetings attended		-	-	18 Audit Steering Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
DCD11	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	3 SDBIP meetings conducted		-	-	12 SDBIP meetings
SECTION: PARKS AND CEMETARIES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage the airport effectively and to comply with legislation					
IEMCF2	Number of inspections conducted at the airport	12 Inspections conducted	12 Inspections conducted	Conducting 12 inspections at PC Pelsar Airport to ensure aviation safety by June 2018	12 Inspections conducted		-	-	12 Inspections




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: PARKS AND CEMETARIES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To host annual harbour event for the community of Matlosana (educational project) to promote a sustainable environment					
IEMCF3	Number of harbour events hosted	1 Harbour Day hosted	1 Harbour Day event hosted on 23 September 2016	Hosting 1 Harbour Day event (educational project) by September 2016	1 Harbour day Event hosted on 8 September 2017		-	-	1 Harbour day Event
SECTION: LIBRARY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes to promote library awareness amongst adults, learners and youth					
CF3	Number of awareness programmes presented at all KOSH schools	31 Awareness programmes presented	36 Awareness programmes presented	Presenting 32 awareness programmes at schools and other venues in the KOSH area by June 2018	37 Awareness programmes presented		-	-	36 Awareness programmes
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes to promote library awareness amongst adults, learners and youth					
CF4	Number of awareness programmes presented at libraries in the KOSH area	162 Awareness programmes presented	179 Awareness programmes presented	Presenting 160 awareness programmes at all KOSH libraries by June 2018	161 Awareness programmes presented		-	-	160 Awareness programmes
NR	INDICATOR	MEASURABLE OBJECTIVE :		To present awareness programmes to promote library awareness amongst adults, learners and youth					
CF5	Number of library interest events presented	55 Library interest events presented	57 Library interest events presented	Presenting 57 library interest events in the KOSH area by June 2018	58 Library interest events presented		-	-	57 Library interest events





Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUSEUM AND HERITAGE SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	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					
CF6	Number of consultation sessions convened	131 Consultation sessions convened	135 Consultation sessions convened	Convening at least 130 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2018	136 Consultation sessions convened		-	-	135 Consultation sessions
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners					
CF7	Number of lifelong skills development programs presented	33 Lifelong skills development programs presented	41 Lifelong skills development programs presented	Presenting at least 36 lifelong skills development programs to unemployed women, youth and physical disadvantage persons to empower them to develop entrepreneurial skills by June 2018	42 Lifelong skills development programs presented		-	-	35 Lifelong skills development programs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To manage heritage resources by promoting heritage awareness					
CF9	Number of heritage awareness projects convened	11 Heritage awareness projects convened	12 Heritage awareness projects convened	Convening 10 heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity by June 2018	12 Heritage awareness projects convened		-	-	12 Heritage awareness projects




Chapter 3

DIRECTORATE: COMMUNITY DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: MUSEUM AND HERITAGE SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	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					
CF8	Number of educational programs presented	116 Educational programs presented	114 Educational programs presented	Presenting at least 110 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of the City of Matlosana municipal area in particular by June 2018	120 Educational programs presented		-	-	110 Educational programs
SECTION: SPORT AND RECREATION									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure sound sport administration					
CF10	Number of sport council meetings conducted	5 Sport council meetings conducted	5 Sport council meetings conducted	Conducting 6 sport council meetings to ensure the smooth running of sport clubs by June 2018	6 Sport council meetings conducted		-	-	6 Sport council meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct sport events to develop sport in the KOSH area					
CF11	Number of sport events conducted	5 Sport events conducted	4 Sport events conducted R99 722	Conducting 8 sport events to ensure the promotion of sport in the City of Matlosana municipal area by June 2018 R400 000	8 Sport events conducted R307 045		-	-	8 Sport council meetings



Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: FIRE AND DISASTER MANAGEMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations					
EDM1	Number of fire inspections conducted	847 General fire inspections conducted	900 General fire inspections conducted	Conducting 900 general fire inspections according to programme in the City of Matlosana municipal area by June 2018	900 General fire inspections conducted		-	-	900 General fire inspections
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
EDM2	Number of fire prevention information sessions conducted	12 Fire prevention information sessions conducted	12 Fire prevention information sessions conducted	Conducting 8 fire prevention information sessions according to programme in identified wards by June 2018	8 Fire prevention information sessions conducted		-	-	8 Fire prevention information sessions
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote fire safety					
EDM3	Number of fire safety campaigns conducted at schools	6 Fire safety campaigns conducted	4 Fire safety campaigns conducted	Conducting 4 fire safety campaigns at schools in the City of Matlosana municipal area according to programme by June 2018	4 Fire safety campaigns conducted		-	-	4 Fire safety campaigns
SECTION: TRAFFIC AND SECURITY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
LES1	Number of (K78) multi road blocks conducted	15 (K78) multi road blocks conducted	15 (K78) multi road blocks conducted	Conducting 15 (K78) multi road blocks with all law enforcement agencies in the City of Matlosana municipal area by June 2018	15 (K78) multi road blocks conducted		-	-	15 (K78) multi road blocks




Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
DPS1	Percentage external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 3 Received / 3 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPS8	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	6 Meetings attended		Directorate was not aware of some of the meetings as they constantly battle with off-line problems (e-mails)	That sms's be send in future to avoid non-attendance of meetings	12 Meetings
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
L&T2	Rand value income collected from vehicle registration and licensing / renewals	R10 370 251 collected	R 10 717 594 collected	Collecting income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission by June 2018 R10 435 247	R10 743 584 collected		-	-	-




Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
L&T1	Rand value income collected from driver's licenses	R6 320 016 collected	R6 621 367 collected	Collecting income from driver's licenses (excluding Prodiba fees) by June 2018 R6 700 000	R5 352 996 collected		Not all examiners are active, as they are not issued with their certificates from province yet. Life scan machine in Hartbeesfontein only recently repaired. The section is still experiencing problems to open the Management Representative on System. Insufficient applications to fill up daily available bookings per examiner	Department to embark on media information to encourage applicants to make use of our service stations more frequently - and will commence with weekend tests in the Klerksdorp Station. Also to open two cubicles at Finance Dept.	R7 055 100
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
L&T3	Rand value income collected from motor vehicle testing	R611 634 collected	R 585 760 collected	Collecting income from Motor Vehicle Testing by June 2018 R480 000	R579 724 collected		-	-	R505 440





Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: LICENSING SERVICES									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To effectively do revenue collection to ensure sound financial matters					
L&T4	Rand value income collected from businesses, hawkers and stands	R424 900 collected	R375 969 collected	Collecting income from businesses, hawkers and stands by June 2018 R373 854	R259 447 collected		No inspectors of Licenses. One incumbent is off due to medical condition and the second incumbent went on pension	To appoint inspectors and to have additional vehicles available for inspections. Arrange for operations together with all relevant Departments	R421 387
SECTION: TRAFFIC AND SECURITY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
LES3	Rand value income collected from outstanding traffic fines	R1 547 170 collected	R 1 017 961 collected	Collecting income on traffic fines by June 2018 R6 366 000	R10935715 collected		-	-	R6 703 398
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
LES4	Rand value income collected from warrants of arrest	R477 250 collected	R339 400 collected	Collecting income on warrant of arrests by June 2018 R500 000	R408 950 collected		No Back Office Law Enforcement System	Service provider to be appointed in the 2018/19 financial year	R558 617




Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DPS2	Percentage of Resolutions implementation within required timeframe	New indicator	New indicator	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	76% 59 Received / 45 Implemented		Financial constraints hampering equipment, traffic and fire vehicles. Staff shortages and security issues on council assets	That all the financial issues be addressed in the 2018/19 financial year. That senior vacant positions be filled as a matter of urgency	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DPS3	Percentage of all identified high risks mitigated by implementing corrective measures	New indicator	New indicator	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	0% 4 Received / 0 mitigated		Lack of funds to maximize security effectively and pay prodiba. Shortage of personnel and equipment	Request budget in the 2018/19 financial year to address security, prodiba, vehicle and equipment shortages	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
DPS4	Directorate's 2016/17 Annual Report input provided before tabling of the draft annual report	New indicator	New indicator	Providing the directorate's 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report




Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DPS5	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	New indicator	New indicator	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
DPS6	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	New indicator	New indicator	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 7 April 2018		-	-	Credible 2019/20 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DPS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 5 received/ 5 commented		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
DPS9	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	No Audit Committee resolutions received		-	-	90%





Chapter 3

DIRECTORATE: PUBLIC SAFETY									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PUBLIC SAFETY									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DPS10	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	6 Audit Steering Committee meetings attended		-	-	18 Audit Steering Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
DPS11	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	0 SDBIP meetings conducted		Informal meetings without proper recordkeeping were held	All meetings to be scheduled in formal manner with proper recordkeeping	12 SDBIP meetings
SECTION: TRAFFIC AND SECURITY SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote road safety					
LES2	Number of traffic and road safety campaigns conducted at schools and crèches	36 Traffic and road safety campaigns conducted	48 Traffic and road safety campaigns conducted	Conducting 44 traffic and road safety campaigns at schools and crèches in the City of Matlosana municipal area according to programme by June 2018 R53 050	48 Traffic and road safety campaigns conducted R24 395		-	-	44 Traffic and road safety campaigns





Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
LED1	% Of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 3 Received / 3 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
LED8	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	6 Meetings attended		Directorate was not aware of some of the meetings as they constantly battle with off-line problems (e-mails)	That sms's be send in future to avoid non-attendance of meetings	12 Meetings
SECTION: COMMUNICATIONS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters to ensure transparency with Council affairs					
TOU3	Number of internal newsletters compiled & distributed to all employees of Council	6 Internal newsletters compiled and distributed	6 Internal newsletters compiled and distributed	Compiling & distributing 6 internal newsletters to all employees of Council by June 2018	6 Internal newsletters compiled and distributed		-	-	6 Internal newsletters





Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: COMMUNICATIONS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To distribute internal & external newsletters to ensure transparency with Council affairs					
TOU4	Number of external newsletters compiled & distributed regarding Council affairs to the community	1 External newsletters compiled and distributed	4 External newsletters compiled and distributed	Compiling & Distributing 5 external newsletters regarding Council affairs to the community June 2018	5 External newsletters compiled and distributed		-	-	4 External newsletters
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct consultations meeting to share information with all relevant stakeholders					
RD4	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 2018	12 LED consultation meetings conducted		-	-	12 LED consultation meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To conduct workshops to capacitate SMME's and cooperatives					
RD5	Number of SMME workshops conducted to capacitate SMME's and cooperatives	4 SMME workshops conducted	4 SMME workshops conducted	Conducting 4 SMME workshops to capacitate SMME's and cooperatives by June 2018	4 SMME workshops conducted		-	-	4 SMME workshops
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To enhance the image of the city and to ensure an informed community					
TOU5	Rand value spent on outdoor publicity	Branding material purchased. R100 000	Branding material purchased. R134 124	Spending on publicity on outdoor advertising by June 2018 – R100 000	Branding material purchased. R 78 700		-	-	-





Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: COMMUNICATIONS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
TOU1	Rand value spent on marketing activities	R196 600 spent	R199 875 spent	Spending on marketing activities according to Marketing Plan by June 2018 - R200 000	R240 300 spent		15% VAT increase not taken into consideration	VAT calculations done correctly	R1 210 600
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the city and communicate programmes to ensure a well-informed community					
TOU2	Rand value spent on communication programmes	R27 600 spent	R197 384 spent	Spending on communication programmes (internal and external newsletters) by June 2018 - R200 000	R196 551 spent		Additional radio advertisement to be flighted - Adjustment Budget late tabling	Adjustment Budget to be tabled on time	N/A
SECTION: FRESH PRODUCE MARKET									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To promote the fresh produce market to ensure a well-informed community					
ED1	Rand value spent on fresh produce market programmes	New Indicator	R198 405 spent	Spending on fresh produce market programmes by June 2018 - R300 000	R372 913 spent		15% VAT increase not taken into consideration	VAT calculations done correctly	R315 900
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
ED2	Rand value of total income collected from rental estate	R943 780 collected	R1 096 318 collected	Collecting income from rental estate by June 2018 R1 355 814	R1 241 985 collected		Not all rental spaces and shops were rented. Some of the current tenants are behind with their rent due to the economic climate	To re-advertise vacant rental estates. Increase efforts to collect arrear rentals	R1 427 672




Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: FRESH PRODUCE MARKET									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
ED3	Rand value of total income collected from ripening and cooling rooms	R1 043 620 collected	R783 877 collected	Collecting income from ripening & cooling rooms by June 2018 R1 425 173	R866 531 collected		Some agents are not using our cold rooms as expected	Promote the ripening and cooling room with market agents	R1 500 707
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
ED4	Rand value of total income collected from market commission (dues)	R15 226 419 collected	R16 616 277 collected	Collecting income from market commission (dues) by June 2018 R18 037 000	R17 749 965 collected		Due to draught less produce were collected	Out of Council's control	R19 133 028
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
ED5	Rand value of total income collected from rental of carriages	R132 309 collected	R150 670 collected	Collecting income from rental of carriages by June 2018 R200 000	R136 093 collected		Trolleys and pallet jacks in state of disrepair could not be rented out.	A new tender to advertised in the new financial year 18/19	R210 600
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income to ensure financial sustainability					
ED6	Rand value of total income collected from agent selling transaction fees	R77 018 collected	R81 265 collected	Collecting income from agent selling transaction fees by June 2018 R118 765	R32 666 collected		Farmers preferred produce to bigger markets due to safety issues at local market	Regain farmers trust to use local market as offset point.	R0



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DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
LED2	% of Resolutions implementation within required timeframe	91% (100 received / 91 implemented)	91% 43 Received / 39 Implementation	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	76% 72 Received / 55 implemented		Portfolio Committee meetings not held in June 2018	To be submitted at next CORS Portfolio meeting	85%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
LED3	% of all identified high risks mitigated by implementing corrective measures	86% (14 received / 12 mitigated)	50% 6 Received / 3 mitigated	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	33% 3 Received / 1 mitigated		Shortage of staff and poor security measure for council assets at market	To appoint vacant positions at the Market. Request additional security at the Market	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
LED4	Directorate's 2016/17 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 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report Inputs provided		-	-	Credible 2017/18 Annual Report Inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
LED5	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	Credible 2016/17 IDP inputs provided	Credible 2017/18 IDP inputs provided	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs



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DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
LED6	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is approved	Credible 2016/17 SDBIP inputs provided	Credible 2017/18 SDBIP inputs provided	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 4 April 2018		-	-	Credible 2019/20 SDBIP inputs provided
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
LED7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	100% 3 received/ 3 commented		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
LED9	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	100% 1 received/ 1 implemented		-	-	90%



Chapter 3

DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
LED10	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	6 Audit Steering Committee meetings attended		-	-	18 Audit Steering Committee meetings
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
LED11	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	1 SDBIP meeting conducted		Informal meetings without proper recordkeeping were held	All meetings to be scheduled in formal manner with proper recordkeeping	12 SDBIP meetings




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
SECTION: HUMAN SETTLEMENTS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To register Title Deeds to ensure secure tenure and ownership of houses					
HP1	Number of Title Deeds verifications forms compiled	0 Deed of sale signed and submitted to attorneys to be logged with the Deeds office R0	0 Registrations done	Compiling the verification forms for submission to conveyors for registering 500 of Title Deeds in Khuma, Kanana, Alabama and Jouberton (as per register) by June 2018	207 Verification forms compiled		Beneficiaries did not turn up to complete verification forms	Non-attended beneficiaries to be identified and communicated with	500 Verifications
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal housing services and to solve housing disputes					
HP4	Percentage of housing disputes resolved	New project	29%	Resolving at least 90% of all housing disputes in the KOSH area by June 2018	0% 28 Received / 0 resolved		Dispute Resolution Committee schedule only approved on MayCo 228/2018 dated 15 May 2018. Meeting for 28 June 2018 did not take place due to unavailability of the councillors	All disputes will be addressed in the 2018/19 financial year	90%





Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure an effective external audit process (Exception report)					
DPHS1	Percentage of external audit queries answered within required time frame	New indicator	New indicator	Answering 100% of all audit queries (exception report) received from the Auditor-General within the required time frame by November 2017	100% 3 Received / 3 answered		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To attend to all LLF meetings to ensure industrial harmony					
DPHS8	Number of LLF meetings attended	New indicator	New indicator	Attending 8 LLF meetings by June 2018	6 Meetings attended		Directorate was not aware of some of the meetings as they constantly battle with laptop problems. Could not attend April 2018 meeting due to prep reparation meeting for forensic audit with Open waters on housing projects on 3 May 2018	That sms's be send in future to avoid non-attendance of meetings. Will appoint an acting / replacement to attend LLF meetings in future	12 Meetings




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT									
SECTION: TOWN-PLANNING									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
DP/TP1	Rand value income collected from building plan application	R1 006 901 spent	R787 246 spent	Collecting income from building plan applications by June 2018 R830 000	R751 783 collected		Section is not in control the submissions and rely on applications (plans) received	Requested for budget adjustment from R830 000 to R700 000. Request was not approved during Adjustment Budget	R873 990
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect revenue to ensure sound financial matters					
DP/TP2	Rand value income collected from land use / development applications	R110 128 spent	R84 217 spent	Collecting income from land use / development applications by June 2018 R159 000	R34 140 collected		Section is not in control of the submissions and rely on land use and land development applications received	Requested for budget adjustment from R159 000 to R80 000. Request was not approved during Adjustment Budget	R186 293
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure good governance by executing the mandate of council					
DPHS2	Percentage of Resolutions implementation within required timeframe	New indicator	New indicator	Implementing 85% of all directorates municipal manager / MayCo / council resolutions by June 2018	54% 90 Received / 49 Implemented		Policies not approved; awaiting feedback from attorneys or applicants, items referred back	Resolutions to form part of monthly management meetings and execute according to deviations	85%




Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To reduce risk areas and protect the municipality against legal actions					
DPHS3	Percentage of all identified high risks mitigated by implementing corrective measures	New indicator	New indicator	Mitigating 80% of all the directorate's identified high risks by implementing corrective measures by June 2018	33% 3 Received / 1 mitigated		Lack of land register. Non-implementation of policy and procedure manual	Attorney to be appointed to compile land register. Review policy and procedure manual	80%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the quality of the information is on an acceptable standard					
DPHS4	Directorate's 2016/17 Annual Report input provided before tabling of the draft annual report	New indicator	New indicator	Providing the directorate's 2016/17 Annual Report input before the draft annual report is tabled by October 2017	Credible 2016/17 Annual Report inputs provided		-	-	Credible 2017/18 Annual Report Inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the programmes and projects of the directorate are incorporated					
DPHS5	Directorate's IDP inputs provided before the 2018/19 IDP is tabled	New indicator	New indicator	Providing the directorate's IDP inputs before the 2018/19 IDP is tabled by 30 May 2018	Credible 2018/19 IDP inputs provided		-	-	Credible 2019/20 IDP inputs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that all the directorates KPI's are catered for					
DPHS6	Directorate's SDBIP inputs submitted before the draft 2018/19 SDBIP is provided	New indicator	New indicator	Providing the directorate's SDBIP inputs before the draft 2018/19 SDBIP is submitted by 25 May 2018	Credible 2018/19 SDBIP inputs provided on 5 April 2018		-	-	Credible 2019/20 SDBIP inputs provided

Chapter 3

DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To comply with legal requirements (sec 116 of MFMA)					
DPHS7	Percentage of SLA / lease agreements which are commented on in terms of all allocated contracts, as received from legal section	New indicator	New indicator	Ensuring 100% of SLA / lease agreements are commented on within 7 working days of receipt in terms of all allocated contracts as received from the legal section by June 2018	No SLA's received for comments		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure that the mandate of the Audit Committee is executed					
DPHS9	Percentage of Resolutions of the Audit Committee implementation within required timeframe	New indicator	New indicator	Implementing 90% of all directorates Audit Committee resolutions by June 2018	No Audit Committee resolutions received		-	-	90%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve the audit outcome from the AG					
DPHS10	Number of Audit Steering Committee meetings attended	New indicator	New indicator	Attending 6 Audit Steering Committee meetings (directors) to improve the audit outcome by June 2018	4 Audit Steering Committee meetings attended		Directorate was not aware of some of the meetings as they constantly battle with laptop problems.	That sms's be send in future to avoid non-attendance of meetings	90%

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DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS									
Operational		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve service delivery and the audit outcome from the AG					
DPHS11	Number of SDBIP meetings with senior personnel in own directorate conducted	New indicator	New indicator	Conducting 3 SDBIP meetings with senior personnel in own directorate by June 2018	0 Meetings conducted		Informal meetings without proper recordkeeping were held	All meetings to be scheduled in formal manner with proper recordkeeping	12 Meetings
SECTION: LAND AFFAIRS									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To verify non-paid Council sold stands to address the shortage of land for Council					
EALS1	Number of reports on the non-paid Council sold stands older than 10 years verified	Continuously writing letters of intent to purchase. Council Attorneys are also continuously engaged to peruse the transactions	Continuously writing letters of intent to purchase Council Attorneys are continuously engaged to peruse the transactions	Verifying all non-paid Council sold stands older than 10 years in Tigane and Khuma by June 2018	A verification report for Tigane submitted to Council. MayCo 225/2018 dated 15 May 2018		Khuma verification report submitted during June, but June 2018 portfolio meetings were cancelled	Items will serve at July 2018 portfolio committee	Land Audit Report, Land Register and Reviewed Land Policy
NR	INDICATOR	MEASURABLE OBJECTIVE :		To improve and rectify the asset register					
EALS2	Number of 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	Finance implemented CC 36/2017 - 28/02/2017, Clearance Certificate issued and all documents sent to DPWRT to send to Attorney	Transferring of ownership of all school land parcels owned by the municipality, but developed and utilized by the Dep of Education to Public Works by June 2018	35 properties transferred / registered		Only 1 property left. The Clearance Certificate expired. State Attorney forwarded request letter regarding the extension of Clearance Certificate on 25 June 2018	An extended Clearance Certificate was prepared for signature by the MM on 4 July 2018	-

Chapter 3





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Outcome 9 Indicators from National Government




Chapter 3

SERVICE DELIVERY									
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	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					
R&S1	Km roads graded in the KOSH area	91.83 Km roads graded R3 437 507	148.12 km roads graded R4 080 969	Grading of 120 km roads in the KOSH as per programme by June 2018 R 5 000 000	145.99 Km roads graded R5 278 628		-	-	200 km roads R10 000 000
NR	INDICATOR	MEASURABLE OBJECTIVE :		To develop a RSMP (Roads and Storm-Water Master Plan) to ensure long term planning of road infrastructure					
R&S2	Number of RSMP (Roads and Storm-Water Master Plan) developed	No budget. R0	No consultant appointed. Bulk Infrastructure Contribution Policy develop - R 684 825	Appointing a service provider to develop 1 RSMP (Roads and Storm-Water Master Plan) for Council by June 2018 R1 000 000	Not achieved R0		The tender for the appointment of data base for professional consultant could not be finalized by BID Committees	Project be removed from the 2018/19 SDBIP due to lack of funding	-
Elimination of Backlogs (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate water backlogs and provide basic municipal services					
WAT2	Number of water backlogs eliminated - Urban Settlements	0 Water backlogs to eliminate	0 Water backlogs to eliminate	214 Water backlogs eliminated according to maintenance budget by June 2018 - Urban Settlements (Squatters on un-promulgated land)	951 Water backlogs eliminated		-	-	0 Water backlogs eliminated
WAT4	Number of water backlogs eliminated - Rural Settlements	0 Water backlogs eliminated	4 306 Backlogs eliminated (Alabama 4 & 5 and Kanana 15 connected (previously rural)	Zero water backlogs eliminated according to maintenance budget by June 2018 - Rural Settlements (If funds available)	0 Water backlogs eliminated		-	-	0 Water backlogs eliminated

Chapter 3

SERVICE DELIVERY									
DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
Outcome 9		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
Elimination of Backlogs (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate sanitation backlogs and provide basic municipal services					
SAN2	Number of sanitation backlogs eliminated - Urban Settlements	196 Sanitation backlogs eliminated	1 555 Sanitation backlogs eliminated All buckets eradicated	214 Sanitation backlogs eliminated according to maintenance budget by June 2018 (bucket eradication). Completion of incomplete toilets - Urban Settlements	1 123 Sanitation backlogs eliminated		-	-	214 Sanitation backlogs eliminated
SAN4	Number of sanitation backlogs eliminated - Rural Settlements	0 Sanitation backlogs eliminated (Cannot install services on un-proclaimed land)	3 206 Sanitation backlogs eliminated Alabama 4 & 5 connected	Zero Sanitation backlogs eliminated according to maintenance budget by June 2018 - Rural Settlements	0 Sanitation backlogs eliminated		-	-	Zero Sanitation backlogs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To eliminate electricity backlogs and provide basic municipal services					
ELE7	Number of electricity backlogs eliminated - Urban Settlements	152 Electricity backlogs eliminated	0 Electricity backlogs eliminated	951 Electricity backlogs to be eliminated according to capital budget by June 2018 - Urban Settlement	951 Electricity backlogs eliminated		-	-	Zero Electricity backlogs
ELE9	Number of electricity backlogs eliminated - Rural Settlements	0 Electricity backlogs eliminated Submitted a report to Eskom	0 Electricity backlogs eliminated. Eskom's assistance requested	0 Electricity backlogs to be eliminated according to Eskom plan by June 2018 - Rural Settlement (Jurisdiction of Eskom)	0 Electricity backlogs eliminated. Letter submitted to Eskom		-	-	Zero Electricity backlogs eliminated. Letter to Eskom






Chapter 3

SERVICE DELIVERY									
DIRECTORATE: COMMUNITY DEVELOPMENT									
Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
Elimination of Backlogs (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :	To eliminate refuse removal backlogs and provide basic municipal services						
WM2	Number of refuse removal backlogs eliminated - Urban Settlements	0 Refuse removal backlogs eliminated	0 Refuse removal backlogs eliminated	Zero refuse removal backlogs to be eliminated according to maintenance budget by June 2018 - Urban area	0 Refuse removal backlogs eliminated		-	-	0 Refuse removal backlogs eliminated
WM4	Number of refuse removal backlogs eliminated - Rural Settlements	0 Refuse removal backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	0 Refuse removal backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)	Zero refuse removal backlogs to be eliminated according to maintenance budget by June 2018 - Rural area (Unproclaim land)	0 Backlogs eliminated (Cannot eliminate backlogs on un-proclaimed land)		-	-	0 Refuse removal backlogs eliminated
DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS									
Elimination of Backlogs (KPA 1: Service Delivery & Infrastructure Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :	To address housing backlogs						
HP2	Number of housing backlogs reduced	New project	388 Housing backlogs reduced	Reducing 1 641 housing backlogs from 15 592 to 13 951 by June 2018	1 498 Housing backlogs reduced		Lack of beneficiaries in areas where there is existing projects. Province is doing monitoring of projects	Councillors engaged to assist on identifying potential beneficiaries in their respective areas	-

Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY




DIRECTORATE: FINANCIAL SERVICES

Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
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 (6 of 2004))					
RM1	Percentage of budgeted revenue for property rates collected	99%	96%	81% of budgeted revenue for property rates collected by June 2018	93%		-	-	81%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To identify the grants received as revenue to better service delivery					
BUD1 1	Grants as a percentage of revenue received	100%	100%	Grants as 100% of revenue received per DORA by March 2018	100%		-	-	100%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control debt management to ensure financial sustainability					
REV1	Rand value debtors outstanding as percentage of own revenue	84%	77.85% R2 269 560 103	Rand value debtors outstanding as 75% of own revenue by June 2018	75.6%		-	-	75%
REV2	Percentage of debt collected as a percentage of money owed to the municipality	76%	85.24%	25% of debt collected as a percentage of money owed to the municipality by June 2018	96.59%		Credit Control affected due to implementation of catch up of MSCOA and Credit control could not be implemented	Credit Control to be implemented once catch up of MSCOA is completed	45%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To increase Payments Received vs. Monthly Levies (Collection rate of billings)					
REV3	% Increase in annual debtors collection rate	7.29 % increase (from previous 80% to 87.29%)	0% (from previous 80% to 80.49%)	1% Increase (80% to 81%) in annual service debtors collection rate by June 2018	-16% (from previous 80% to 64%)		Credit Control affected due to implementation of catch up of MSCOA and Credit control could not be implemented	Credit Control to be implemented once catch up of MSCOA is completed	1%

Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY




DIRECTORATE: BUDGET AND TREASURY

Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
Expenditure Management (KPA 4: Municipal Financial Viability & Management)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD1	Capital expenditure as a % of planned capital expenditure	86% R106 152 742	95.52% R138 140 555	Capital expenditure as 90% of planned capital expenditure by June 2018 R213 747 000	82% R175 241 380		Under Expenditure mainly because of the additional R41 million that was only received in the 3rd quarter of 207/18 and the capital loan of R 30 million that did not materialised	Better planning from Infrastructure.	90%
BUD2	% of operational budget spent on repairs and maintenance	R 73 884 144 93%	R92 064 921 4%	5% of operational budget spent on repairs and maintenance by June 2018 5% of R3 277 017 740	R97 429 013 3%		Repair and maintenance under budgeted due to budget constraints and a lack of spending of the budget	Increase the repair and maintenance budget in 2018/19 infrastructure must have proper maintenance and procurement plans to ensure proper budgeting and spending	5%
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit sec 71 reports to NT in order to comply with legislation					
BUD14	Number of section 71 reports to the NT database submitted	12 Electronic version of the section 71 reports to the NT database	12 Electronic version of the section 71 reports to the NT database	Submitting 12 electronic version of the section 71 reports to the NT database by June 2018	121 Electronic version of the section 71 reports to the NT database				12 Electronic version of the section 71 reports to the NT database

Chapter 3

FINANCIAL, ADMINISTRATIVE AND CAPACITY




DIRECTORATE: BUDGET AND TREASURY

Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
Financial Management (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget in order to comply with legislation					
BUD7	Final 2018/19 budget approved			Approving the final 2018/19 budget by 31 May 2018	2018/19 Budget approved CC47/2018 dated 30/05/2018		-	-	2019/20 Budget
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the budget related policies and tariffs in order to comply with legislation					
BUD8	2018/19 Budget related policies and tariffs approved			Approving the final 2018/19 budget related policies and tariffs by 31 May 2018	2018/19 Budget policies & tariffs approved CC47/2018 dated 30/05/2018		-	-	2019/20 Budget policies & tariffs
NR	INDICATOR	MEASURABLE OBJECTIVE :		To submit the 2016/17 Financial Statements on time to comply with legislation					
BUD10	2016/17 Financial statements submitted to the Auditor-General	2014/15 Financial Statements submitted to AG on 31 August 2015	2015/16 Financial Statements submitted on 31 August 2016	Submitting the 2016/17 financial statements to the Auditor-General by 31 August 2017	2016/17 Financial Statements submitted on 31 August 2017		-	-	2017/18 Financial Statements

Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

Outcome 9			Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
			2015/16	2016/17	Annual Target	Actual Performance				
Performance Management (KPA 5: Good Governance and Public Participation)										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the 2016/17 Audited Annual Report to comply with section 121 of MFMA						
PMS3	Audited 2016/17 Annual Report tabled before Council	Final 2014/15 Annual Report tabled. CC 1/2016 dated 29/01/2016	Audited 2015/16 Annual Report tabled CC15/2017 dated 31/01/2017	Tabling the Audited 2016/17 Annual Report before Council by 31 January 2018	2016/17 Audited Annual Report tabled CC2/2018 dated 30/01/2018		-	-	2017/18 Audited Annual Report tabled	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final 2018/19 SDBIP to ensure compliance with legislation						
PMS6	Final 2018/19 SDBIP approved by Executive Mayor	Final 2016/17 SDBIP approved MM136/2016 dated 13 June 2016. ADM 31/2016 dated 20 June 2016	Final 2017/18 SDBIP approved. MM 125/2017 dated 16/06/2017. EM 07/2017 dated 27/06/2017	Approving final 2018/19 SDBIP by Executive Mayor (28 days after approval of budget) by June 2018	Final 2018/19 SDBIP approved. MM120/2018 dated 14/06/2018. EM6/2018 dated 26/06/2018		-	-	Final 2019/20 SDBIP approved	
Integrated Development Planning (KPA 5: Good Governance and Public Participation)										
NR	INDICATOR	MEASURABLE OBJECTIVE :		To give effect to the 2018/19 Reviewed IDP						
IDP1	2018/19 Reviewed IDP process plan tabled in Council	2015/16 IDP Process Plan reviewed and tabled. ADM 32/2015 dated 10 September 2015	2017/22 IDP Process Plan tabled on 30 August 2016 CC 55/2016	Tabling the 2018/19 Reviewed IDP process plan in Council by August 2017	2018/19 Reviewed IDP process plan tabled on CC140/2017 dated 29 August 2017		-	-	2019/20 IDP Process Plan tabled	



Chapter 3

PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER


Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
	2015/16	2016/17	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 2018/19 Review IDP	Public comments invited	Public comments invited in the Lentswe and Klerksdorp Record on 4/5/2017	Inviting public comments after the tabling of the draft 2018/19 Review IDP for inputs from the community by April 2018	Public comments invited in Klerksdorp Record and Lentswe on 20 April 2018		-	-	Public comments invited
NR	INDICATOR	MEASURABLE OBJECTIVE :		To approve the final Reviewed IDP to comply with legislation					
IDP6	Final 2018/19 Reviewed IDP approved by Council	Final 2016/17 IDP approved CC13/2016 dated 31 May 2016	Final IDP approved on CC102/2017 dated 31/5/2017	Approving the final 2018/19 Reviewed IDP by Council by May 2018	Final Reviewed IDP Amendments for 2018/19 approved by Council. CC50/2018 dated 30 May 2018		-	-	Final 2019/20 IDP Amendments 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					
RI23	Risk Register revised and approved to determine the linkage between departmental objectives and risk activity	New project	2016/17 Risk Register revised and 2017/18 Risk Register but not approved by council	Revising the 2017/18 Risk Register to determine the linkage between departmental objectives and risk activity and approving the 2018/19 Risk Register by June 2018	Revised Risk Register submitted to Risk Management & Audit Committee approved by Municipal Manager		-	-	2018/19 Risk Register revised and 2019/20 Risk Register approved

Chapter 3



ADMINISTRATION										
DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER										
Outcome 9			Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
			2015/16	2016/17	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 directorates by monitoring implementation of action plans by June 2018	1 Fraud Risk Monitoring conducted		Awaiting approval of Anti-Corruption Strategy	To be submitted at the next policy workshop	-	
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 indicator	New indicator	Approving the risk management strategic documents (Charter and implementation plan) by the municipal manager and council by June 2018	Risk Management Committee Charter approved by Risk Committee. Risk Management Implementation Plan approved by Municipal Manager		-	-	Approved 2018/19 Risk Management Committee Charter Approved 2019/20 Risk Management Implementation Plan	
NR	INDICATOR	MEASURABLE OBJECTIVE :		To table the Oversight Report to comply with s.129(1) of the MFMA						
MPAC6	2016/17 Oversight Report tabled before Council	2014/15 Oversight Report tabled. CC 10/2016 dated 30 March 2016	2015/16 Oversight Report tabled. CC58/2017 dated 31/03/2017	Tabling the 2016/17 Oversight Report before Council by 31 March 2018	2016/17 Oversight Report tabled - CC20/2018 dated 27/03/2018		-	-	'2017/18 Oversight Report tabled	

Chapter 3

LABOUR RELATIONS

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER									
Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
Governance (KPA 5: Good Governance and Public Participation)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To sign the 2018/19 Performance Agreements to comply with legislation					
PMS7	Percentage of 2018/19 Performance Agreements with section 54A and 56 employees signed	100% 2016/17 Performance Agreements signed	100% 2017/18 Performance Agreements signed on 27 June 2017	Signing 100% of all 2018/19 performance agreements with section 54A & 56 employees by June 2018	100% 2018/19 Performance Agreements signed dated 19/06/2018		-	-	2019/20 Performance Agreements signed
GOVERNANCE / PUBLIC PARTICIPATION									
DIRECTORATE: CORPORATE SUPPORT (POLITICAL OFFICES)									
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	20 Imbizos conducted R8 711	4 Imbizos conducted R275 693	Conducting 6 Imbizos in the KOSH area by June 2018 R130 000	3 Imbizos conducted R88 973		Imbizos at Wards 28 – 31 were cancelled by Ward Councillors, due to budget consultation meeting before the Imbizos and the feeling was that the community has already participated in the budget consultation	Number of Imbizos for the next financial year the less.	4 Imbizos




Chapter 3

GOVERNANCE / PUBLIC PARTICIPATION									
DIRECTORATE: CORPORATE SUPPORT (POLITICAL OFFICES)									
Outcome 9	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	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	Number of Community Based Plan (CBP) implemented	Field Workers are allocated to all 35 wards of Matlosana. No progress report submitted R1 674 740	CBP appointment date 01/06/2017. R536 010	Implementing the Community Based Plan (CBP) in 39 wards and submitting report to Council by June 2018 R2 000 000	1 Progress report submitted to Council MAYCO395/2017 dated 13/09/2017 R4 438 820		Other 3 reports did not serve due to outstanding information from community ward representatives. June 2018 Portfolio Committee meetings postponed. Request for adjustment budget requested	Reports to be submitted on quarterly basis in the next financial year. Request for adjustment budget not approved	4 Progress reports
LED / ENABLING ENVIRONMENT									
DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
Local Economic Development (KPA 3: Local Economic Development)									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To ensure alignment between LED strategies and VTSD to synergize the communication between the three spheres of government					
RD3	Number of cooperatives (SMME's) established / resuscitated and functional	4 Co-operatives established – Tigane Bakery, Oblate Egg Layers, New Little Porridge Co-operative, Women Ora Et Labora Primary Co-orporative Ltd.	4 Co-operatives established – Tirisano Agric Primary; Re ya ipetla Primary; Never Say Never Primary; and Lekholo Primary R99 355	Establishing / resuscitating 4 functional Cooperatives and 6 functional SMME's (1 per township / rural area) in the Matlosana area by June 2018 R2 500 000	3 Cooperatives and 6 SMME's established / resuscitated R2 304 873		Limited budget to establish / resuscitate the last cooperative	4 th Cooperative to be assisted in the next financial year	4 Cooperatives and 16 SMME's

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National Key Performance Indicators




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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE									
KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
National Key Performance Indicator	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
SECTION: WATER SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
WAT1	Percentage of households with access to basic level of water - Urban Settlements	100% (164 644 Hh with access to water / 0 Hh without access to water)	100% (168 950 Hh with access to water / 0 Hh without access to water)	99% of Households with access to basic level of water by June 2018 - Urban Settlements	99.99% (170 205 Hh with access to water / 39 Hh without access to water)		-	-	99%
WAT3	Percentage of households with access to basic level of water - Rural Settlements	77% (2 786 Hh with access to water / 827 Hh without access to water)	100% (1 739 Hh with access to water / 0 HH without access to water)	77% of Households with access to basic level of water by June 2018 - Rural Settlements	100% (1 528 Hh with access to water / 0 Hh without access to water)		-	-	100%
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
SAN1	Percentage of households with access to basic level of sanitation - Urban Settlements	99% (163 399 Hh with access to sanitation / 1 555 Hh without access to sanitation) (Buckets)	99% (165 908 Hh with access to sanitation / 1 100 Hh without access to sanitation)	99% of Households with access to basic level of sanitation by June 2018 - Urban Settlements	99% 167 148 Hh with access to sanitation / 1 139 Hh without access to sanitation		-	-	99%

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DIRECTORATE: TECHNICAL AND INFRASTRUCTURE



KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: SANITATION SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
SAN3	Percentage of households with access to basic level of sanitation - Rural Settlements	80% (2 575 Hh with access to sanitation / 728 Hh without access to sanitation)	70% (2 575 Hh with access to sanitation / 1 106 Hh without access to sanitation)	80% Households with access to basic level of sanitation by June 2018 - Rural Settlements	74% 2 575 Hh with access to sanitation / 910 Hh without access to sanitation		Council cannot install services on private land	Land to be identified to be promulgated	75%
SECTION: ELECTRICAL ENGINEERING									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
ELE6	Percentage of households with access to basic level of electricity- Urban Settlements	100% (164 694 Hh with access to electricity / 630 Households without access to electricity)	98% (164 844 Hh with access to electricity / 3 840 Households without access to electricity)	98% of Households with access to basic level of electricity by June 2018 - Urban Settlement	98% 167 177 Hh with access to electricity / 2 889 Hh without access to electricity		-	-	98%
ELE8	Percentage of households with access to basic level of electricity - Rural Settlements	54.38% (899 Hh with access to electricity / 2 034 Hh without access to electricity)- No control over Eskom area	45% (899 Hh with access to electricity / 1 106 Hh without access to electricity) - No control over Eskom area	55% of Households with access to basic level of electricity by June 2018 - Rural Settlement	56% 948 Hh with access to electricity / 758 Hh without access to electricity - No control over Eskom area		-	-	57%

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DIRECTORATE: COMMUNITY DEVELOPMENT




KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: REFUSE REMOVAL SERVICES									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To provide basic municipal services					
WM1	Percentage of households with access to basic level of refuse removal - Urban Settlements	100% (164 644 Hh with access to refuse removal / 0 Hh without access to refuse removal)	97% (165 277 Hh with access to refuse removal / 4 306 H Hh without access to refuse removal)	97% of Households with access to basic level of refuse removal by June 2018 - Urban area	97.48% (166 309 Hh with access to refuse removal / 4 306 Hh without access to refuse removal)		-	-	97%
WM3	Percentage of households with access to basic level of refuse removal - Rural Settlements	0% (0 Hh with access to refuse removal / 3 613 Hh without access to refuse removal) (Cannot render service on un-proclaimed land)	0% (0 Hh with access to refuse removal / 1 106 Hh 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 2018 - Rural area (Unproclaim land)	0% (0 Hh with access to refuse removal / 1 157 Hh without access to refuse removal) (Cannot render service on un-proclaimed land)		-	-	0%



Chapter 3

DIRECTORATE: BUDGET AND TREASURY

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

National Key Performance Indicator	Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year	
	2015/16	2016/17	Annual Target	Actual Performance					
SECTION: REVENUE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Services allocations to comply with legislation					
REV4	Rand value spend on free basic services	R38 644 203 spent All applicants assisted	R59 748 502 spent	Spending on free basic services by June 2018 - (Account Holders) R270 291 390	R98 842 669 spent		Due to the fact that the total has reduced is can be seen that not all Indigents have registered	Mayoral program Sekotsane 10 by 10 to motivate new applicants in new financial year	R359 428 677
REV6	Percentage of Households registered earning less than R7 500 per month	100% All applicants assisted	20%	20% of households registered earning less than R7 500 per month by June 2018 - (vs. total active accounts)	18.6%		Due to the fact that the total has reduced is can be seen that not all Indigents have registered	Mayoral program Sekotsane 10 by 10 to motivate new applicants in new financial year	25%
NR	INDICATOR	MEASURABLE OBJECTIVE :		Indigent Subsidy for Free Basic Alternative Energy allocations to comply with legislation					
REV7	Rand value spend on free basic alternative energy	R4 861 366 spent	R6 639 731 spent	Spending on free basic alternative energy by June 2018 R25 373 815	R13 225 645 spent		Due to the fact that the total has reduced is can be seen that not all Indigents have registered	Mayoral program Sekotsane 10 by 10 to motivate new applicants in new financial year	R26 718 627




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DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT									
KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT									
National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: LOCAL ECONOMIC DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
RD1	Number of permanent and jobs exceeding 3 months created - Urban Area	868 Jobs created	948 Jobs created	Creating 800 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects by June 2018 - Urban Area	899 Jobs created		-	-	800 Jobs created
NR	INDICATOR	MEASURABLE OBJECTIVE :		To create jobs to reduce unemployment and enhance local economic development activities					
RD2	Number of permanent and jobs exceeding 3 months created - Rural Area	35 Jobs created	30 Jobs created	Creating 30 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects by June 2018 - Rural Area	32 Jobs created		-	-	30 Jobs created

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DIRECTORATE: CORPORATE SUPPORT



KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: SKILLS DEVELOPMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To pay over a percentage of municipality's budget on implementing its workplace skill plan					
SKIL2	Rand value of Levy Skills Development for 2017/18 paid to SARS	R4 071 448 paid	R 4 349 515 paid	Paying to SARS on Levy Skills Development for 2017/18 by June 2018 R4 545 815	R4 764 013 paid		Overspending due to fluctuation of staff compliments		
NR	INDICATOR	MEASURABLE OBJECTIVE :		To spend a percentage of municipality's budget on implementing its workplace skill plan					
SKIL3	Rand value of SETA Training expenditure for 2017/18 spent	R297 512 spent	R1 799 123 spent	Spending on SETA Training expenditure for 2017/18 by June 2018 R4 000 000	R2 814 587 spent		Implementation of internal skills programmes were delayed due to focus on implementation of LGSETA Learnership programmes. Internal programmes only started late in 4th quarter delayed	Ensure that internal processes planned and conducted earlier in the 2018/19 financial year	R5 997 860
NR	INDICATOR	MEASURABLE OBJECTIVE :		To collect income from SETA to implement the workplace skill plan					
SKIL4	Rand value of SETA Training Income/Rec for 2017/18 collected	R727 821 collected	R0 collected	Collecting income from SETA Training Income/Rec for 2017/18 by June 2018 R4 000 000	R139 958 collected		Training Income is determined by LGSETA, and process of payment takes long	The reimbursement we receive from LGSETA is 20% of total levy we contribute	

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DIRECTORATE: BUDGET AND TREASURY



KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: BUDGET OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		To control expenditure management to ensure financial sustainability					
BUD3	MIG expenditure a percentage of annual allocation	92.73% R78 351 695	99.8% R83 195 915	MIG expenditure as 95% of annual allocation by June 2018 (excluding roll-overs) R130 041 000	82% R109 843 782		Under Expenditure mainly because of the additional R41 million that was only received in the 3rd quarter of 207/18	Better planning from Infrastructure	95%
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed					
BUD12	Ratio for Debt coverage for 2016/17	21.8%	24.91%	Annual Debt coverage ratio for 2016/17 by November 2017 = 21.8% 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 financial year	81.7%		The ratio increased as our outstanding loans reduces and our income increased compared to our outstanding debt payments	Mange our debt service payments in relationship with the outstanding debt. Outstanding debtors need to be reduced and managed	28%

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DIRECTORATE: BUDGET AND TREASURY



KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: BUDGET OFFICE									
NR	INDICATOR	MEASURABLE OBJECTIVE :		Financial Viability expressed					
BUD4	Ratio for Cost coverage for 2016/17	0.42	0.47	Annual Cost coverage ratio for 2016/17 by November 2017 = 0.42 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	2.01		Increase due to creditors that were not serviced	Budget for a surplus. Increase debt collection to enable council to have a positive cash flow and creditors within 30 days	1:3 Months
BUD13	Percentage of Outstanding Service Debtors to Revenue ratio for 2016/17	23%	5%	Annual Outstanding Service Debtors to Revenue ratio for 2016/17 by November 2017 = 2% 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	1.63%		Increase due to none payment of services. The ratio debt to income is increased as the income base is growing.	Implement Council's debt collection plans and strategies	45%

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KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

DIRECTORATE: OFFICE OF THE MUNICIPAL MANAGER

National Key Performance Indicator		Previous Financial Years Actual Performance		2017/18 Financial Year		Rating	Reason for Deviation	Measures Taken to Improve Performance	2018/19 Financial Year
		2015/16	2016/17	Annual Target	Actual Performance				
SECTION: PERFORMANCE MANAGEMENT									
NR	INDICATOR	MEASURABLE OBJECTIVE :		The number of people from employment equity target groups employed in the first three highest levels of management					
PMS8	Number of male employees on the first three highest levels of management	26	25 Male employees (Black - 21 White - 3 Coloured - 1 Indian - 0)	Employing 29 male employees on the first three highest levels of management by June 2018 (Excluding section 54A and 56 employees)	26 Male employees Black - 22 White - 3 Coloured - 1 Indian - 0		Due to financial constraints and slow appointment processes	In process of filling senior positions	29 Male employees
PMS9	Number of female employees on the first three highest levels of management	9	9 Female employees (Black - 7 White - 2 Coloured - 0 Indian – 0)	Employing 16 female employees on the first three highest levels of management by June 2018 (Excluding section 54A and 56 employees)	9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0		Due to financial constraints and slow appointment processes	In process of filling senior positions	16 Female employees

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12. REPORT OF THE AUDIT COMMITTEE OF MATLOSANA LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2018

INTRODUCTION

The Audit Committee is pleased to present the Annual Audit Committee Report for City of Matlosana Municipality for the financial year ended 30 June 2018. The Audit Committee is an independent statutory committee appointed by the Council. Duties performed by the committee are in line with the approved Audit Committee Terms of Reference as articulated in section 166 of the Municipal Finance Management Act, Act 56 of 2003, as amended.

AUDIT AND PERFORMANCE AUDIT COMMITTEE RESPONSIBILITIES

The committee is pleased to report that it has fulfilled all its responsibilities arising from the terms of reference including relevant legislative requirements.

On a quarterly basis, the committee Chairperson reported the committee's activities to Council and they are being tabled at Council. This includes the requirements of Regulation 14 of the Municipal Planning and Performance Management Regulations.

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The committee's terms of reference require five independent members who have sufficient qualifications and experience to render the services associated with the committee's function. The committee did not function with five independent members for the entire period but notwithstanding; there was appropriate competence and skills to reasonably cover all functions. During the financial year under review, council appointed a new Audit Committee in the month of March 2018 due to the tenure of previous audit committee ending.

During the year under review, 4 (four) ordinary committee meetings and 3 (three) special committee meetings were held. Internal Audit (IA) attends all these meetings. The Municipal Manager, most members of the Executive Management Team (EMT) (as required) and other officials also attend these meetings. A representative from Provincial Treasury attended some of the meetings. The Office of the Auditor-General South Africa (AGSA) has a standing invitation to all committee meetings and attended all seven meetings. The meetings have substantial agendas, which require extensive preparation, which is done diligently by members. Committee members participate in meetings with exemplary commitment and objectivity.

Below is the summary of tenure, qualifications and meeting attendances as at 30 June 2018:

NAME	POSITION	QUALIFICATION	APPOINTMENT DATE	RETIREMENT DATE	MEETINGS ATTENDED
M I Motala	Chairperson	Attorney		28/02/2018	5
N.Maape	AC Member	Project Management		28/02/2018	4
P C Malemone	AC Member	CA(SA)		28/02/2018	5
L.Mosoetsa	AC Member	CIA		28/02/2018	3
Mr. V Mokwena	Chairperson	CA(SA)	24 May 2018	16 July 2018	2
Mr. T.K.T Mocwaledi	AC Member	CA(SA)	24 May 2018	Not applicable	2

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Ms. M Nkomo	AC Member	MCom	24 May 2018	2 August 2018	1
Mr. J Ramakgolo	Risk Committee Chair and AC Member	CCSA	24 May 2018	Not applicable	2
Ms. M Mathye	Chairperson	IAT	24 May 2018	Not applicable	0

The following table provides details and types of meetings, which were held:

MEETING NR	TYPE OF MEETING	KEY MATTERS	DATE HELD
01-2017	Special Audit Committee meeting	Draft AFS	17/08/2017
02-2017	Ordinary Audit Committee meeting	IA reports	18/08/2017
03-2017	Special Audit Committee meeting	Draft AGSA report	24/11/2017
04-2017	Ordinary Audit Committee meeting	IA reports	27/11/2017
05-2017	Ordinary Audit Committee meeting	IA reports	22/02/2018
06-2017	Induction and Ordinary Audit Committee meeting	IA reports	24/05/2018
07-2017	Special Audit Committee meeting	IA Reports IA 3 year Plan Risk register Audit readiness	26/06/2018

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee reviewed the annual financial statements prior to submission to the AGSA, the City's external auditors, and discussed it with management. The committee did have some unresolved matters with the annual financial statements being submitted for external audit due to numerous concerns, which were raised by the apparent lack of quality of the audit file and other matters. This was further substantiated by the material adjustments, which were made to the annual financial statement, which, if they were not corrected would have resulted in a modification in the Audit Report of the municipality.

The Audit Committee noted with concern that material misstatements of assets, liabilities and disclosure items were identified by the auditors in the submitted financial statements, and subsequently corrected by management. The Committee urges management to improve compliance with the requirements of section 122 of the MFMA in the preparation of the financial statements.

The Audit Committee concurs with, accepts the AGSA's conclusions on the Annual Financial Statements and other legal and regulatory matters, and recommends that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

However, the committee would like to extend congratulation to the City's management, on achieving an unqualified report, which is a good indicator of an improving state of controls within the City.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The committee considered the work performed by IA on a quarterly basis and reviewed the IA Annual Report on Internal Controls for the year ended 30 June 2018.

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The IA Annual Report on Internal Controls concluded that some improvement was needed and is based on, and limited to, the available IA results throughout the 2017/18 financial year and the audit opinion as issued by the Auditor-General of South Africa.

The committee has noted with concern that the overall control environment of the City has not improved during the year under review as compared to the previous financial years. The internal control dashboard of the AGSA was also reviewed and the major areas for improvement relate to governance, leadership, financial, performance information, and IT systems. The committee has also consistently raised these issues and until resolved will remain as a standing matter for discussion and evaluation by the committee. It is noted that the resolution of audit findings for both the AGSA and Internal Audit unit are not attended to adequately. Internal Audit needs to provide further support in this regard to Supply Chain Management by increasing the number of compliance audits in that environment so that deficiencies can be identified and implementation of the corrective action taken timely.

Management is implored to implement the recommendations by AGSA and Internal Audit immediately.

The Committee has noted a huge number of findings on non-compliance with the Supply Chain policy contributing to the non-achievement of the clean administration. This is also supported by the high value of irregular, fruitless, wasteful, and unauthorised expenditure. The escalating Unauthorized, Irregular and Fruitless and Wasteful expenditure (UIFW) has become a matter of concern to the Committee resulting in the Committee requesting immediate controls to be put in place and investigations not UIFW.

RESOLVING INTERNAL CONTROL FINDINGS

The committee noted the non-implementation of some of the IA recommendations where alternative methodologies are being investigated. Management is encouraged to focus on these areas for improvement.

Overall, the committee notes the concerns of lack of management responses to some of Internal Audit findings.

INTERNAL AUDIT EFFECTIVENESS

An in-house department operating in terms of an IA Charter and an annually approved audit plan carries out the IA activities. There has been no compromise of the independence or objectivity of the function during the year under review.

The Acting Chief Audit Executive (CAE) reports functionally to the committee and administratively to the Municipal Manager. The committee will continue to monitor the independence of the IA function, as it is key to the effectiveness of the committee.

As previously communicated in the Audit Committee reports the current incumbent of the position CAE is on an acting capacity and there remains little or no progress in conclusion of the disciplinary actions against Mr. Seero to enable a permanent CAE to be guiding the internal audit function in the execution of their duties. This matter should be resolved to ensure that the Internal Audit Function is effective.

In addition to the above The Committee took note of lack of key specialised skills within the internal audit function and lack of adequate resources for the internal audit function to execute their function effectively. The Committee resolved that as a minimum procurement comprehensive internal audit management software for the division to perform audit and retain evidence of the work performed.

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Internal Audit conducts follow-up audit to ensure that the recommendations of the reported audit findings both internal and AGSA's are implemented. The committee has noted the slow rate of resolution of these findings and implores Management to attend to this issue urgently to improve the control environment. The City needs to ensure that it takes sufficient and effective steps to introduce all the improvements and corrections that are identified.

IMPLEMENTATION OF CONSEQUENCE MANAGEMENT IN THE CITY

The Committee has noted with concern that there was inadequate investigations on the noted an increase in the number of investigations conducted where wrongdoing was identified.

MSCOA IMPLEMENTATION

The municipality has not implemented mSCOA as required by legislation due to the limitations of the current financial system of the municipality. This had a direct impact on the quality of the annual financial statements, which were submitted late for audit purposes to the Auditor General. The committee has resolved that management complete the plan for the implementation of mSCOA and report to the committee at each audit committee meeting.

PERFORMANCE MANAGEMENT

The committee reviews the quarterly reports submitted by Internal Audit on performance management. In reviewing the performance management system, the committee focuses on economy, efficiency, effectiveness and impact of key performance indicators and performance targets set by the municipality.

The reliability and usefulness of performance information remains a concern to the committee. The AGSA's review of performance against predetermined objectives has highlighted the inadequacy of the supporting documentation provided by the City leading to unreliability of reported performance information. It is anticipated that the Auditor-General will extend the scope of the performance management information review in the future.

RISK MANAGEMENT

The committee identified that management still has to hold a comprehensive strategic session whereby the current risks are reviewed for their applicability to the municipality and for the identification of new/additional risks, which emanate from the municipality's operations and environment. Management, in conjunction with the risk management committee, have internally reviewed and updated the registers with the current prevailing risks and a comprehensive strategic risk session is to be undertaken later in the financial year parallel to the review and updating of the municipal Integrated Development Plan.

GOVERNANCE AND ETHICS

The committee continues to monitor key citywide governance interventions required, such as the communication and monitoring of the ethics function, consequence management and compliance reporting. These initiatives are continuously evolving and maturing. Ethics is also a key focus of the City and further enhancements of awareness and understanding of ethics occurred.

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The committee receives quarterly feedback on legal cases and these will need further focus to ensure they are concluded timeously and in the best interest of the City and its stakeholders. Consequence management remains

a material concern and the committee will regularly follow up on steps taken by management to ensure that wrongdoing is adequately responded to.

AUDITOR-GENERAL SOUTH AFRICA

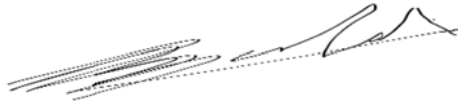
The Audit Committee confirms that it has met with the Auditor-General and that there are no unresolved issues.

CONCLUSION

The committee is pleased with the continuing progress made by the City in improving and progressing in the areas outlined in this report.

The committee fully supports the City in implementing its vision and strategies, giving due consideration to the economic and social challenges facing the City and its residents. Good governance and clean administration must underpin the journey for sustainable service delivery in a vibrant, sustainable, globally competitive and caring City.

The committee wishes to express their appreciation to the management of the City, the AGSA and IA who assists the committee in performing its functions effectively and efficiently.



THAPELO KITSO THEODORE MOCWALEDI
ACTING CHAIRPERSON

Chapter 4

Chapter 4



Chapter 4

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

INTRODUCTION

In terms of the 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.

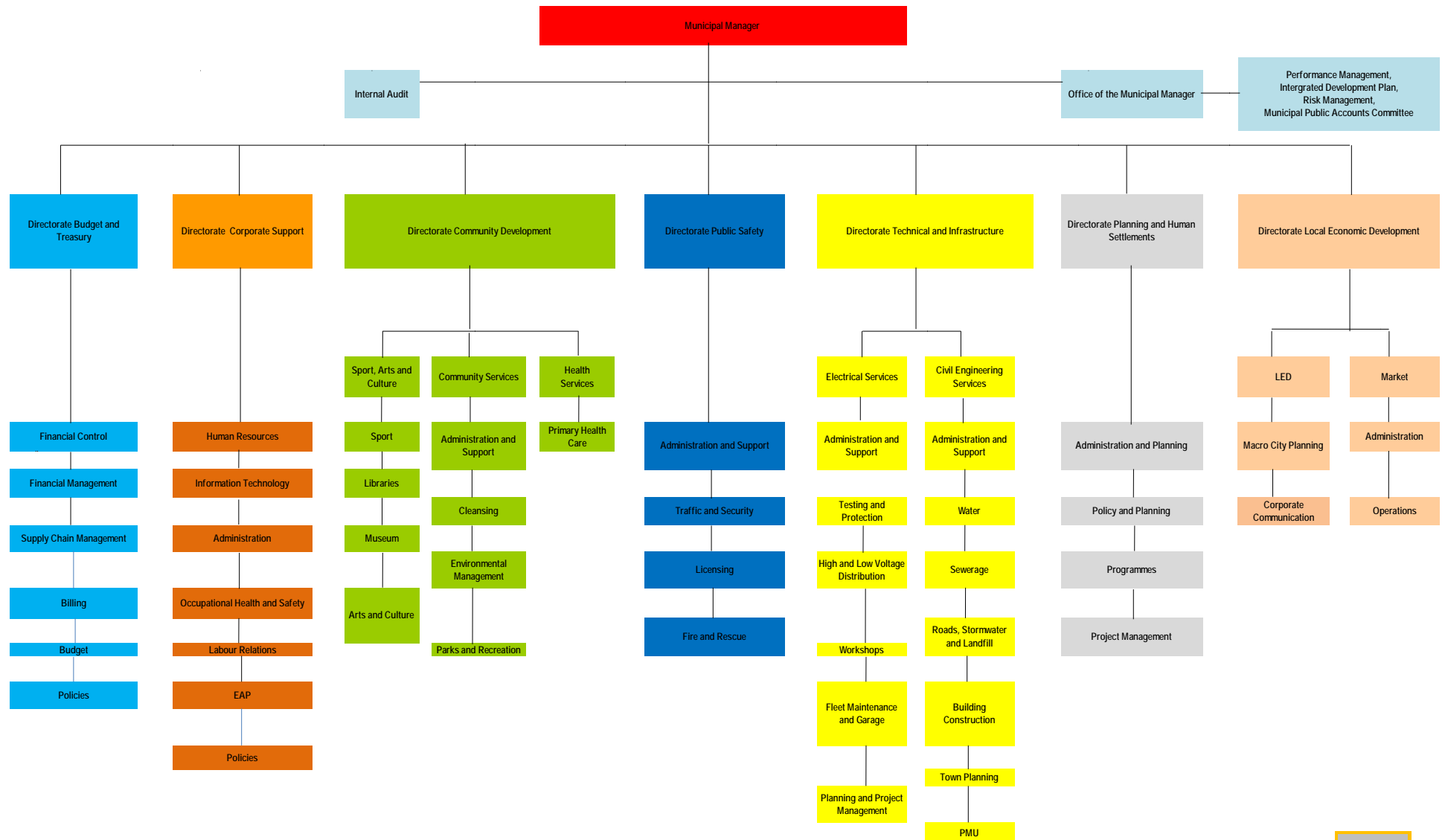
The Directorate Strategic Planning, Monitoring and Control was made redundant, but the functions now reside in the Office of the Municipal Manager.

The City of Matlosana has an approved complement of 2 524 posts of which 2 018 were filled.

The municipality's top structure is as follows:

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CITY OF MATLOSANA OVERHEAD STRUCTURE



Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

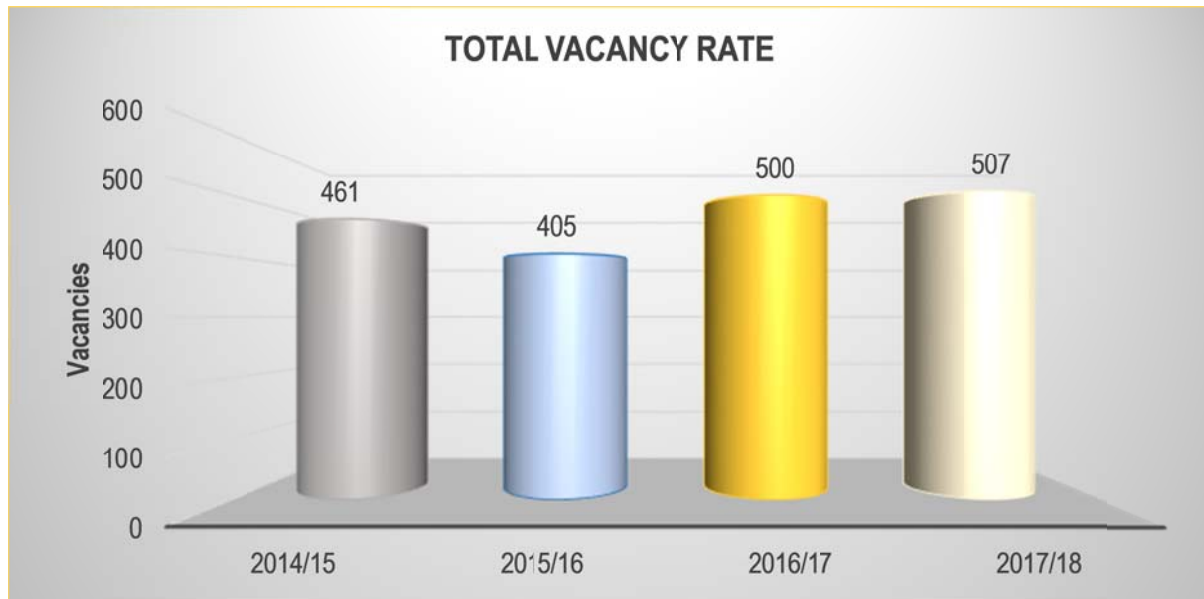
EMPLOYEES					
DESCRIPTION	2016/17	2017/18			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No	No	No	No	%
Water Services	106	125	106	19	15%
Sanitation Services	155	170	150	20	12%
Electrical and Mechanical Engineering	129	152	129	23	15%
Solid Waste Management Services	333	402	303	99	25%
Human Settlements	17	23	17	6	26%
Roads and Storm-Water Drainage	163	183	157	26	14%
Licensing Services	52	125	75	50	40%
Administration Town-Planning, Building Survey, Building Construction and PMU	59	69	56	13	19%
Local Economic Development	15	20	15	5	25%
Fresh Produce Market	37	44	35	9	20%
Libraries and Museum	72	86	77	9	10%
Cemeteries and Aerodrome	54	63	54	9	14%
Parks, Open Spaces, Faan Meintjes and Orkney Vaal	184	219	181	38	17%
Sport and Recreation	93	133	93	40	30%
Health Services	13	16	13	3	25%
Traffic, Security, Fire and Disaster Management	221	273	212	61	22%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	9	31	26	5	16%
Corporate Policy Offices and Other	312	391	319	72	18%
TOTAL	2 024	2 525	2018	507	20%

TURN-OVER RATE: 2017/18				
Year	Total appointments as at the beginning of the financial year	New appointments*	Terminations during the financial year**	Turnover rate
2014/15	2 019	18	135	6.33%
2015/16	2 077	242	147	7.28%
2016/17	2 024	65	145	7.00%
2017/18	2 018	91	125	6.00%

* Figure does not include internal appointments

** Figures includes resignation, retirement, deceased, dismissals, medical board and expired contracts

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VACANCY RATE: 2017/18				
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	2	33%	
Other s56 Managers (Finance posts)	0	0	0%	
Safety and Security	175	33	19%	
Fire fighters	39	7	18%	
Senior management: Levels 1 - 3 (excluding Finance posts)	37	9	24%	
Senior management: Levels 1 - 3 (Finance posts)	8	1	13%	
Highly skilled supervision: levels 4 - 6 (excluding Finance posts)	115	18	16%	
Highly skilled supervision: levels 4 - 6 (Finance posts)	22	5	23%	
TOTAL	402	69	17,16	

COMMENTS ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 507 vacancies or a 20% vacancy rate, which is 3% higher than the 2016/17 vacancy rate of 17%.

The turnover rate totals 6% and is 1% lower than during the previous financial year.

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For the period 1 July 2017 to 30 June 2018 a total of 166 (8.23%) external and internal employees were recruited against a total of 65 (3.21%) external and internal employees for the previous period from 1 July 2016 to 30 June 2017.

For the period 1 July 2017 to 30 June 2018, the services of 125 employees were terminated which is consistent with terminations in the previous reporting period.

Terminations were because of retirements (24.8%), resignations (28.0%), dismissals (4.0%), ill health (4.8%), contract expired (24.0%) and death (14.4%).

A high turnover rate, which refers to the number or percentage of employees who left 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.

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 psychosocial problems, which may negatively affect the work performance of employees.

Services rendered under it are:

- ✚ Work-related issues such as absenteeism;
- ✚ Stress management;

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- + 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	100%	100%	30 May 2018
21	Organisational Rights	100%	100%	25 September 2013
22	Payroll Deductions			
23	Performance Management and Development	100%	100%	25 July 2017
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 (In process of review)	100%	80%	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

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HR POLICIES AND PLANS				
NAME OF POLICY		COMPLETED	REVIEWED	DATE ADOPTED BY COUNCIL
		%	%	
38	Billboards	100%	100%	29 November 2012
39	Internet	100%	100%	29 November 2012
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
65	Leave of absence for Councillors	100%	100%	28 November 2017
66	Admission of Public to meetings of Council	100%	100%	28 November 2017
67	Uniform standing disciplinary procedure for Councillors	100%	100%	28 November 2017
68	Leasing of Council halls Policy	100%	100%	31 July 2018

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.

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4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF INJURIES ON DUTY DURING 2017/18				
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	39	20	1,95	39
Temporary total disablement	37	1	37	37
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
TOTAL	76	21	37%	76

NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2017/18								
Job Level	Salary Band	Total Number of Sick Leave Days per Post Level	Portion of Sick Leave Without Medical Certification	Number of No Sick Notes Received	Number of Employees Using Sick Leave	Total Employees in Post	Average Days Sick Leave per Employee	Estimated Cost
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54A/56 Managers		1	100.00	0	1	8	1	1
1	Senior management	16	6.25	15	2	1	8	25
2		15	20.00	12	4	10	4	20
3		114	42.11	66	13	24	9	142
4	Highly-skilled supervision	82	13.41	71	6	13	14	90
5		219	8.22	201	23	44	10	213
6		411	21.90	321	43	58	10	362
7	Highly-skilled production	236	15.25	200	28	47	8	188
8		415	7.23	385	41	57	10	292
9		812	14.53	694	89	114	9	482
10	Skilled	916	14.08	787	81	103	11	456
11		1 220	16.15	1 023	115	130	11	535
12		544	15.99	457	32	117	17	212
13		425	21.88	332	33	98	13	149
14		375	0.27	374	45	70	8	119
15		732	14.34	627	53	106	14	213

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16	Lower skilled	210	13.33	182	24	67	9	59
17		484	16.74	403	45	88	11	134
18		235	28.09	169	21	22	11	65
19		4 834	15.95	4 063	612	841	8	1 339
TOTAL		12 996	20.11%	10 382	1 311	2 018	10	5 096



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. However, 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.

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NUMBER AND PERIOD OF SUSPENSIONS

NUMBER AND PERIOD OF SUSPENSIONS 2017/18				
Position	Nature of alleged misconduct	Date of Suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date Finalised
Management Representative	Gross dishonestly & dishonestly	15 July 2017	Ongoing	Ongoing
Senior Carpenter	Theft and forced entry (Burglary)	10 January 2018	Dismissed	11 May 2018
Senior Electrician	Dishonesty and theft	19 February 2018	Dismissed	05 June 2018
Chief Audit Executive	<p>Contravention Code of Conduct functions of office not in good faith.</p> <p>Conducted illegal investigation against Acting CAF</p> <p>Disclosure of confidential information to unauthorised personnel</p>	25 May 2018	Ongoing	On going

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT 2017/18			
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 postpone for hearing	Ongoing
Acquisition Management Supply Chain	Gross Negligence / Dishonesty	Matter, re-enrolled and postpone for hearing	Ongoing
Assistant Director: Debt Management	Misrepresentation / Gross Negligence	Matter, re-enrolled and postpone for hearing	Ongoing
Administration Officer Supply Chain	Gross Negligence/Dishonesty	Matter, re-enrolled and postpone for hearing	Ongoing
Finance Debt Collection	Misrepresentation	Matter, re-enrolled and postpone for hearing	Ongoing

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Assistant Director Supply Chain	Gross Negligence/ Gross irregularity Dishonestly / Fraudulent & Corrupt Conduct wasteful and unauthorized Expenditure	Matter, re-enrolled and postpone for hearing	Ongoing
Assistant Director Expenditure	Gross Negligence	Matter, re-enrolled and postpone for hearing	Ongoing
Accountant Debt Collection	Gross Negligence/ Gross irregularity Dishonestly / Fraudulent & Corrupt Conduct wasteful and unauthorized Expenditure	Matter, re-enrolled and postpone for hearing	Ongoing
Demand Management Officer	Gross irregularity/ Dishonesty / Corrupt and Fraudulent Conduct	Matter, re-enrolled and postpone for hearing	Ongoing

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

The suspension of the employee charged for fraud / bribery was lifted, 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.

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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 2017/18 financial year, these documents were submitted to LGSETA and received the necessary mandatory grants to further skills development initiatives within the municipality.

For the 2017/18 financial year, a total of R4 764 013 was spent on skills development in comparison with the previous financial year spending of R4 349 515.

NATIONAL KEY PERFORMANCE INDICATOR

See page 238 for details.

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4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX – 2017/18										
Management level	Gender	Employees in post as at 30 June 2018	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 2016/17	Actual: End of 2017/18	Actual: End of 2016/17	Actual: End of 2017/18	Actual: End of 2016/17	Actual: End of 2017/18	Actual: End of 2016/17	Actual: End of 2017/18
MM and s 56	Female	2	0	0	0	0	0	0	0	0
	Male	4	0	0	2	0	0	0	2	0
Councillors, senior officials and managers	Female	37	0	7	20	5	0	0	20	12
	Male	54	0	10	34	3	0	0	34	13
Technicians and associate professionals	Female	57	0	24	5	32	0	2	5	61
	Male	117	29	100	70	73	0	2	99	177
Professionals	Female	18	21	50	38	44	0	18	59	112
	Male	22	28	69	29	116	0	3	57	188
Sub total	Female	114	21	81	63	81	0	20	84	182
	Male	197	57	179	135	192	0	5	192	375
TOTAL		311	78	260	198	274	0	25	276	557

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FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2017/18				
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>	4	4	4	4
<i>Any other financial officials</i>	159	0	0	0
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	166	6	6	6

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SKILLS DEVELOPMENT EXPENDITURE – 2017/18											
											R'000
Management level	Gender	Employees as at 1 July 2018	Original Budget and Actual Expenditure on skills development 2017/18								
			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	2	30	30	0	0	0	0	30	30	
	Male	4	40	40	0	0	0	0	40	40	
Legislators, senior officials and managers	Female	9	0	0	80	80	0	0	80	80	
	Male	26	0	0	80	80	0	0	80	80	
Professionals	Female	18	0	0	300	200	0	0	300	200	
	Male	22	0	0	240	180	0	0	240	180	
Technicians and associate professionals	Female	57	0	0	250	200	0	0	250	200	
	Male	117	0	0	350	300	0	0	350	300	
Clerks	Female	276	0	0	300	250	0	0	300	250	
	Male	103	0	0	350	200	0	0	350	200	
Service and sales workers	Female	47	0	0	80	40	0	0	80	40	
	Male	95	0	0	70	70	0	0	70	70	
Plant and machine operators and assemblers	Female	5	0	0	430	120	0	0	430	120	
	Male	128	0	0	750	550	0	0	750	550	
Elementary occupations	Female	236	0	0	250	100	0	0	250	100	
	Male	758	0	0	400	280	0	0	400	280	
Subtotal	Female	650	0	0	1 920	990	0	0	1 920	990	
	Male	1 253	0	0	2 080	1 660	0	0	2 080	1 660	
TOTAL		1 903	70	70	7 930	5 300	0	0	8 000	5 370	

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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.

Human Resources through Training and Development Unit has developed 60% of employees through skills programmes utilizing the Training and SETA votes as expenditures in 2017/201 Financial Year. 77% of Municipal and Mandatory Grants were used to finance these programmes. We anticipate utilizing 100% Training budget by the end of the current Financial Year. (2018/2019)

The Training Unit has also developed 40% of Municipal employees through Learnership programmes during the 2017/2018 Financial Year. Thirteen (13) Learnerships were implemented and funded through Local Government Sector Education and Training (LGSETA) Discretionary Grant and two (2) were funded by Services SETA.

The Training and Development Unit in order to comply with legislation (National Treasury Regulation), has ensured appointment of Financial Interns, and these Interns were put on CPMD programme to comply with the legislation.

Capacity of 60% of Councillors, Directors and Finance Officials, were trained on Municipal Finance related programmes (i.e. MFMP) during the financial year 2017/2018. The 60% Finance officials meet the competency requirements stipulated by the legislation. i.e. (National Treasury Regulations). The 40 % Finance Officials who does 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.

Through the assistance of Local Government Sector Education and Training LGSETA, the Municipality has implemented five (5) Learnership and internship programmes to develop skills of unemployed youth and Municipality had no financial burden. Two Hundred twenty (220) unemployed learners and interns benefited on the two programmes.

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.

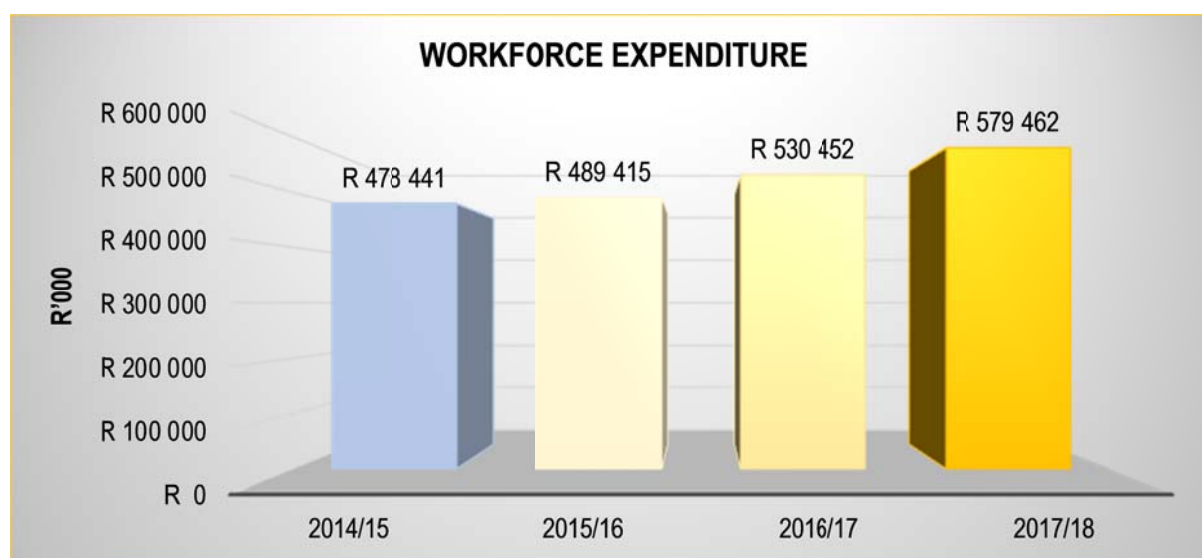
There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability 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.

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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).

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 to implement the necessary measures and controls with the necessary buy-in of employees.

4.6 EMPLOYEE EXPENDITURE



COMMENT ON WORKFORCE EXPENDITURE

Levels of municipal employment have declined, while vacancy rates and the average cost of employment have risen. However, there exist divergent employment and personnel expenditure trends within and between the different categories of municipalities that are masked by the aggregate figures.

Municipal employees and the skills they bring to the workplace are a critical input in the delivery of all services a municipality delivers.

The objective of managing municipal personnel is therefore not necessarily to minimise the “wage bill”, but rather to ensure that people with the required skills are recruited, retained and appropriately deployed. The proper management of personnel is therefore critical to the effective and efficient functioning of the municipality and must be prioritised across all municipal functions.

Municipal expenditure on personnel should comprise 30 per cent of aggregated operational expenditure as guided by National Treasury.

Matlosana’s workforce expenditure of R579 462 accounted for 20.07% of the total operating budget expenditure for the 2017/18 financial year

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UPGRADED POSTS 2017/18

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 – 2017/18

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 Settlement
Was the staff establishment consulted with the MEC before approval by Council?	N/A
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 – 2017/18							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the senior manager subject to competence assessment?	Does the senior manager hold political office?	Does the senior manager have a misconduct / criminal record?
		From	To				
Municipal Manager	R1 351 476	01/05/2017	30/04/2022	B Juris	Yes	No	No
Chief Financial Officer	R1 097 024	01/03/2017	28/02/2022	BCompt Hons (Accounting Science and Bridging)	Yes	No	No
Director Corporate Support	R1 097 024	01/02/2018	31/01/2023	B Legum	Yes	No	No
Director Community Development	R1 097 024	01/02/2018	31/01/2023	BA Hons Nursing Science	Yes	No	No
Director Public Safety	R1 097 024	01/02/2018	31/01/2023	B Tech Transport Management	Yes	No	No
Director Technical and Infrastructure	R1 097 024	01/02/2018	31/01/2023	MSc Engineering	Yes	No	No
Director Local Economic Development	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 - 2017/18		
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 period?
Municipal Manager	Yes, 26 April 2017	Yes
Chief Financial Officer	Yes, 28 February 2017	Yes
Director Corporate Support	Yes, 22 January 2018	Yes
Director Community Development	Yes, 2 January 2018	Yes
Director Public Safety	Yes, 2 January 2018	Yes
Director Technical and Infrastructure	Yes, 24 January 2018	Yes
Director Local Economic Development	Vacant	Vacant
Director Planning and Human Settlements	Vacant	Vacant

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4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES) 2017/18					
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 period?	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	Yes	Yes	Yes	Yes	No
Director Community Development	Yes	Yes	Yes	Yes	No
Director Public Safety	Yes	Yes	Yes	Yes	No
Director Technical and Infrastructure	Yes	Yes	Yes	Yes	No
Director Local Economic Development	Vacant	Vacant	Vacant	Vacant	Vacant
Director Planning and Human Settlement	Vacant	Vacant	Vacant	Vacant	Vacant

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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	DIRECTOR CORPORAT SUPPORT L SEAMETSO
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	B Juris	B Compt Hons (Accounting Science and Bridging)	B Legum
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	Two years in senior and five years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	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 Capability and Leadership ✚ 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 				

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DESCRIPTION	REQUIREMENTS	DIRECTOR COMMUNITY DEVELOPMENT MM MOLAWA	DIRECTOR TECHNICAL AND INFRASTRUCTURE R MADIMUTSA	DIRECTOR PUBLIC SAFETY LJ NKHUMANE
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	BA Hons Nursing Science	MSc Engineering	B Tech Transportation Management
Work-Related Experience	Minimum of two years at senior and five years at middle management level	Fifteen years in senior and eighteen years in middle management	Nineteen years in senior and five years in middle management	Twelve years in senior and seventeen years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	Yes	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 Capability and Leadership ✚ 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

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CHAPTER 5 – FINANCIAL PERFORMANCE

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 R 298 million compared to the budgeted deficit of R 307 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	2016/17	2017/18			2017/18 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Financial performance						
Property rates	265 941	378 837	378 837	294 055	0.29	0.29
Service charges	1 389 127	1 881 332	1 881 332	1 430 645	0.32	0.32
Investment revenue	8 358	2 500	2 500	10 588	(0.76)	(0.76)
Transfers recognised operational	477 693	364 262	364 262	359 817	0.01	0.01
Other own revenue	261 421	328 843	328 843	315 307	0.04	0.04
Total revenue (excl. capital transfers and contributions)	2 402 541	2 955 774	2 955 774	2 410 411	0.23	0.23
Employee costs	530 452	586 853	586 853	579 462	0.01	0.01
Remuneration of councillors	28 398	31 657	31 657	33 182	(0.05)	(0.05)
Depreciation & asset impairment	410 556	492 000	492 000	434 791	0.13	0.13
Finance charges	43 955	11 000	11 000	45 826	(0.76)	(0.76)
Materials and bulk purchases	843 460	837 564	837 563	841 183	(0.00)	(0.00)
Other expenditure	–	–	–	–		
Total expenditure	852 981	1 317 946	1 317 947	952 014	0.38	0.38
Surplus/(Deficit)	2 709 801	3 277 021	3 277 021	2 886 458	0.14	0.14

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FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Transfers recognised - capital	104 547	194 259	194 259	178 023	0.09	0.09
Contributions recognised - capital and contributed assets						
Surplus/(Deficit) after capital transfers and contributions	(202 714)	(126 988)	(126 989)	(298 024)	(0.57)	(0.57)
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	(202 714)	(126 988)	(126 989)	(298 024)	(0.57)	(0.57)
Capital expenditure and funding sources						
Capital expenditure						
Transfers recognised - capital	130 179	173 747	194 258	173 502	0%	12%
Public contributions and donations	–	–	–	–	0%	0%
Borrowing	–	30 000	–	–	0%	
Internally generated funds	5 125	10 000	10 000	1 739	475%	475%
Total sources of capital funds	135 304	213 747	204 258	175 241	22%	17%
Financial position						
Total current assets	473 933	374 041	5 128 796	679 718	-45%	655%
Total non-current assets	5 551 418	5 223 432	5 223 432	5 363 986	-3%	-3%
Total current liabilities	781 726	362 434	362 434	996 348	-64%	-64%
Total non-current liabilities	334 436	407 000	407 000	494 049	-18%	-18%
Community wealth / Equity	4 909 188	4 828 039	4 828 039	4 851 331	0%	0%
Cash flows						
Net cash from (used) operating		212 637	212 637	215 993	-2%	-2%
Net cash from (used) investing	233 145	(203 589)	(194 259)	160 383	-227%	-221%
Net cash from (used) financing	(148 419)	10 000	(20 000)	9 988	0%	-300%
Cash/cash equivalents at the year end	(19 763)	39 993	19 323	136 154	-71%	-86%
Cash backing/surplus reconciliation						
Cash and investments available	10 945	68 665	68 665	159 254	-57%	-57%
Application of cash and investments	291 328	63 597	(3 748 915)	753 545	-92%	-598%
Balance - surplus (shortfall)	(280 383)	5 068	3 817 580	(594 291)	-101%	-742%
Asset management						
Asset register summary (WDV)	5 390 359	5 885 853	5 885 853	5 161 204	14%	14%
Depreciation and asset impairment	410 556	492 000	492 000	424 159	16%	16%
Renewal of existing assets	–	–	–	–	0%	0%
Repairs and maintenance	68 240	126 791	126 791	85 571	48%	48%

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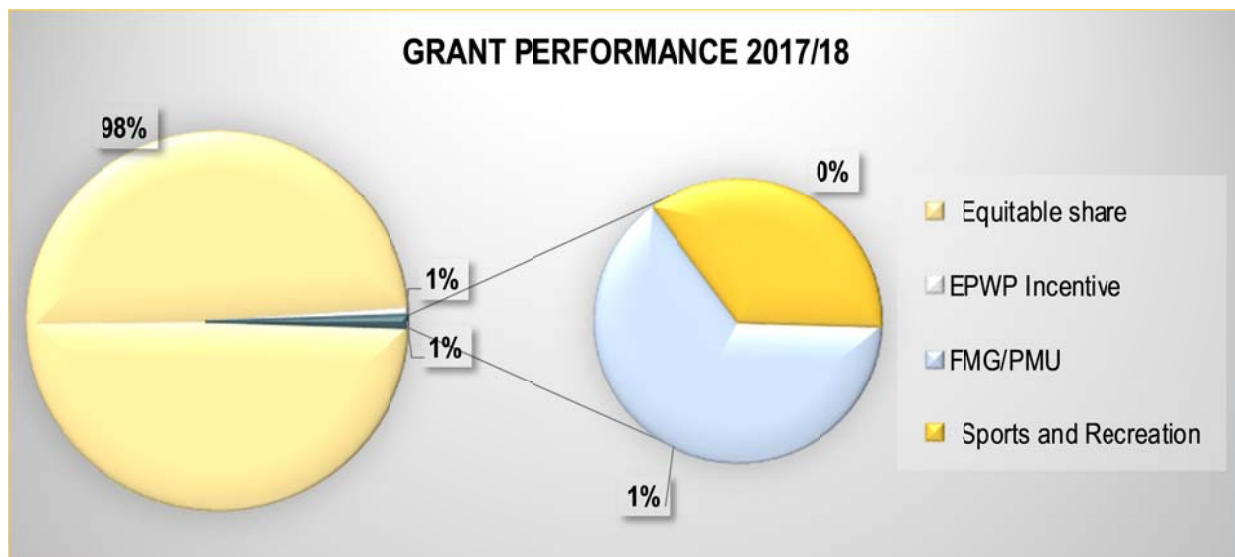
FINANCIAL SUMMARY (Continued)						
R' 000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
<u>Free services</u>						
Cost of free basic services provided	–	218 340	243 714	368 398	-41%	-34%
Revenue cost of free services provided	–	118 480	118 480	59 317	100%	100%

FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES						
R '000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustment
<u>Operating cost</u>						
Water	403 462	540 811	540 811	478 933	-12.92%	9.00%
Waste-water (Sanitation)	109 982	181 267	181 267	141 245	-28.34%	-28.34%
Electricity	715 673	859 958	859 958	731 700	-17.53%	-17.53%
Waste management	87 480	142 173	142 173	135 312	-5.07%	-5.07%
Housing	9 999	11 321	11 321	10 714	-5.67%	-5.67%
Component A: sub-total	1 326 596	1 735 531	1 735 531	1 497 904	-15.86%	-15.86%
Storm-water drainage	–	–	–	–	–	–
Roads	210 381	225 625	225 627	193 874	-16.38%	-16.38%
Transport	–	–	–	–	–	–
Component B: sub-total	210 381	225 625	225 627	193 874	-16.38%	-16.38%
Planning	–	–	–	–	–	–
Local Economic Development	17 278	39 915	39 915	36 607	-9.04%	-9.04%
Component B: sub-total	17 278	39 915	39 915	36 607	-9.04%	-9.04%
Planning (Strategic and regulatory)	–	–	–	–	–	–
Local Economic Development	–	–	–	–	–	–
Component C: sub-total	–	–	–	–	–	–
Community and Social Services	20 973	79 408	79 408	63 803	-24.46%	-24.46%
Environmental Protection	–	–	–	–	–	–
Health	8 651	9 603	9 603	11 553	16.87%	16.87%
Security and Safety	113 525	206 409	206 409	177 256	-16.45%	-16.45%
Sport and Recreation	77 196	114 317	114 317	104 789	-9.09%	-9.09%
Corporate Policy Offices and Other	935 201	866 210	866 210	800 672	-8.19%	-8.19%
Component D: sub-total	1 155 546	1 275 948	1 275 948	1 158 073	-10.18%	-10.18%
TOTAL EXPENDITURE	2 709 801	3 277 018	3 277 021	2 886 458	-13.53%	-13.53%

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5.2 GRANTS

GRANT PERFORMANCE						
R' 000						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Budget	Adjusted	Actual	Original (%)	Adjustment (%)
<u>Operating Transfers and Grants</u>						
National Government	346 321	358 768	358 768	358 630	0.00	0%
Equitable share	342 855	354 377	354 377	354 377	0%	0%
Municipal Systems Improvement	0	–	–	–	0%	0%
FMG/PMU	1 810	2 145	2 145	2 145	0%	0%
EPWP Incentive	1 656	2 145	2 145	2 145	0%	0%
Provincial Government	1 100	1 200	1 200	1 187		
Sport and Recreation	1 100	1 200	1 200	1 187	1%	1%
Total	347 421	359 968	359 968	359 817		



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

Vodacom assists council with the unbundling of new project and the verification of existing assets. As a result, thereof, Council obtained an unqualified audit opinion on assets.

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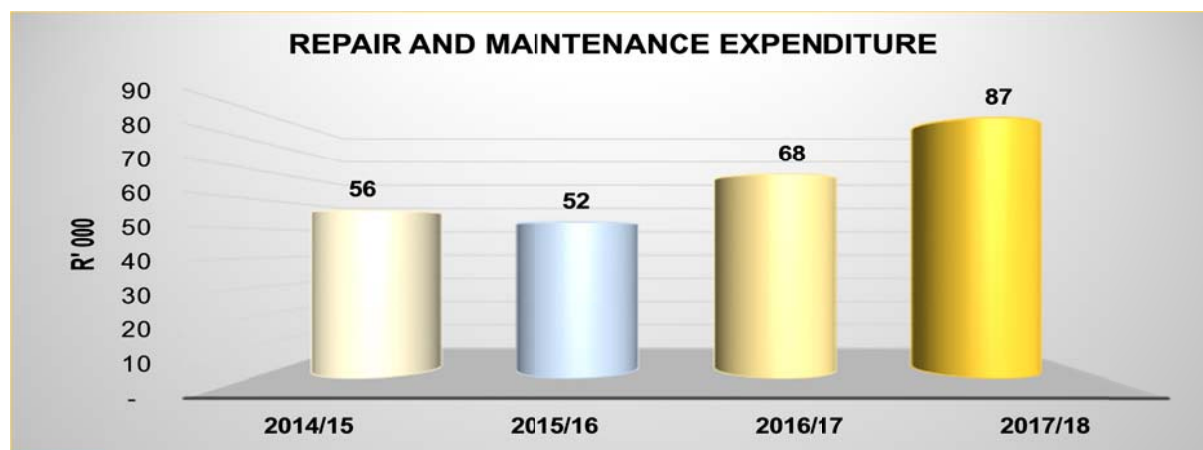
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2017/18			
Asset 1			
Name	UPGRADING NATIONAL FRESH PRODUCE MARKET		
Description	Upgrading National Fresh Produce Market		
Asset Type	Infrastructure		
Key Staff Involved	Electricity and Market		
Staff Responsibilities	Market		
Asset Value	2015/16	2016/17	201718
			R4 043 907
Capital Implications	Better service delivery		
Future Purpose of Asset	Upgrading of market equipment		
Describe Key Issues	Maintenance of old infrastructure		
Policies in Place to Manage Asset	Yes		
Asset 2			
Name	JOUBERTON HOTSPOT AREAS HIGH MAST LIGHTS		
Description	Jouberton Hotspot Areas High Mast Lights		
Asset Type	Infrastructure		
Key Staff Involved	Electricity section		
Staff Responsibilities	Electricity section		
Asset Value	2015/16	2016/17	201718
			R2 781 302
Capital Implications	Security and light at night for crime areas		
Future Purpose of Asset	Crime areas to reduce risks		
Describe Key Issues	Crime areas to reduce risks		
Policies in Place to Manage Asset	Yes		
Asset 3			
Name	UPGRADING OF WATER NETWORK CoM MUNICIPAL AREA		
Description	Upgrading Of Water Network CoM municipal area		
Asset Type	Infrastructure		
Key Staff Involved	Water section		
Staff Responsibilities	Water section		
Asset Value	2015/16	2016/17	201718
			R 4 385 654
Capital Implications	New water pipe lines uPVC		
Future Purpose of Asset	New water line pipes upgrading old lines		
Describe Key Issues	New pipes lessor maintenance		
Policies in Place to Manage Asset	Yes		

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COMMENTS ON ASSET MANAGEMENT

The PMU unit drove the above projects. 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.

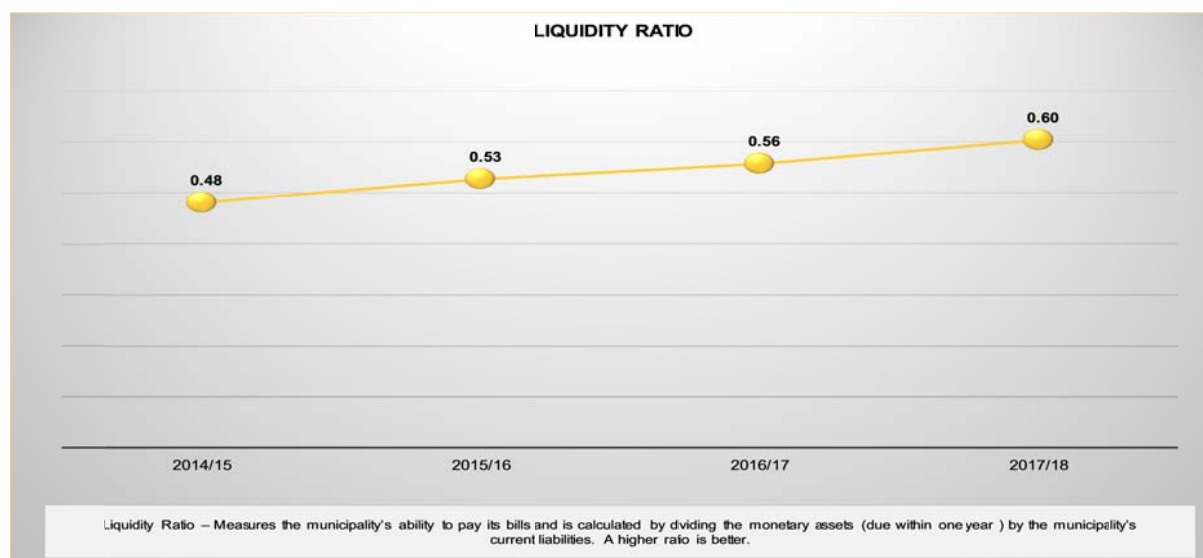
REPAIR AND MAINTENANCE EXPENDITURE: 2017/18				
				<i>R' 000</i>
Description	Original	Adjusted	Actual	Budget variance
Repairs and Maintenance Expenditure	105 958	111 387	86 920	18%



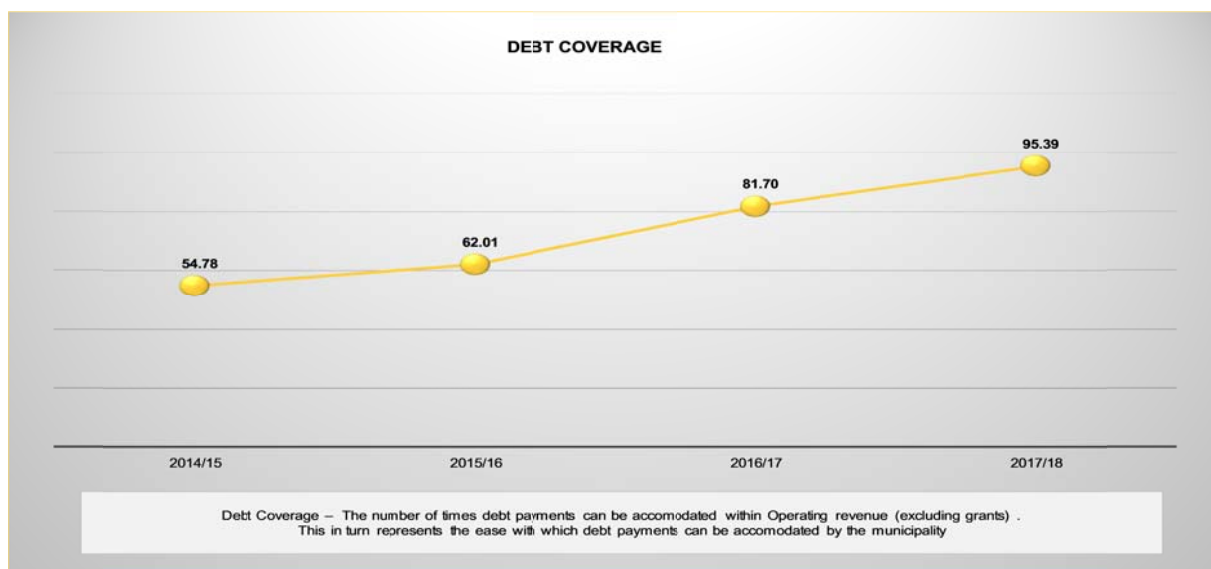
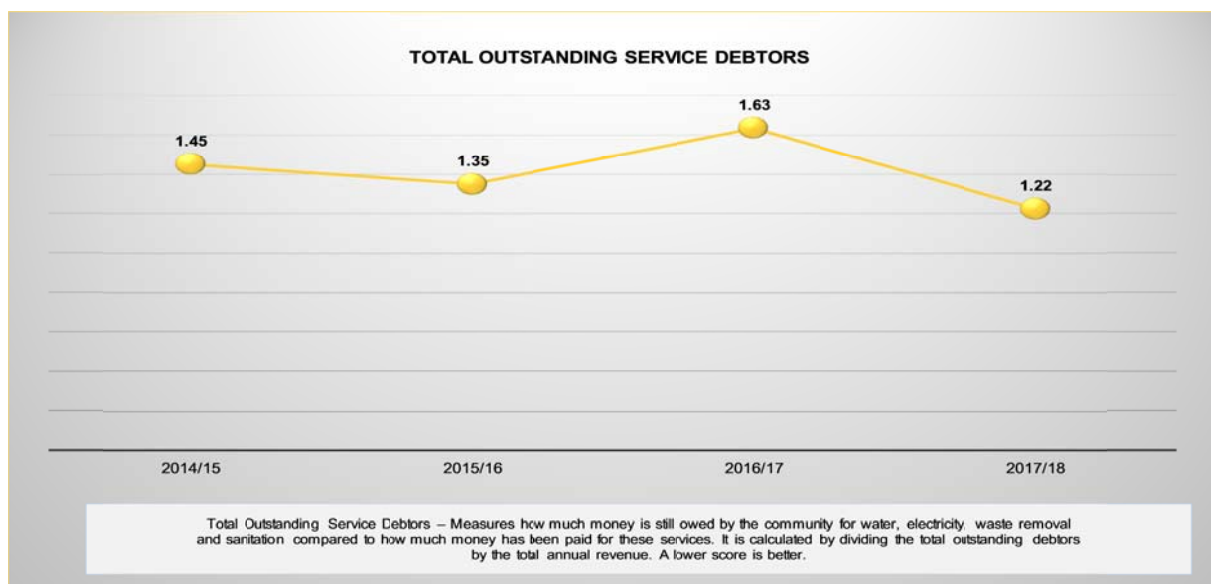
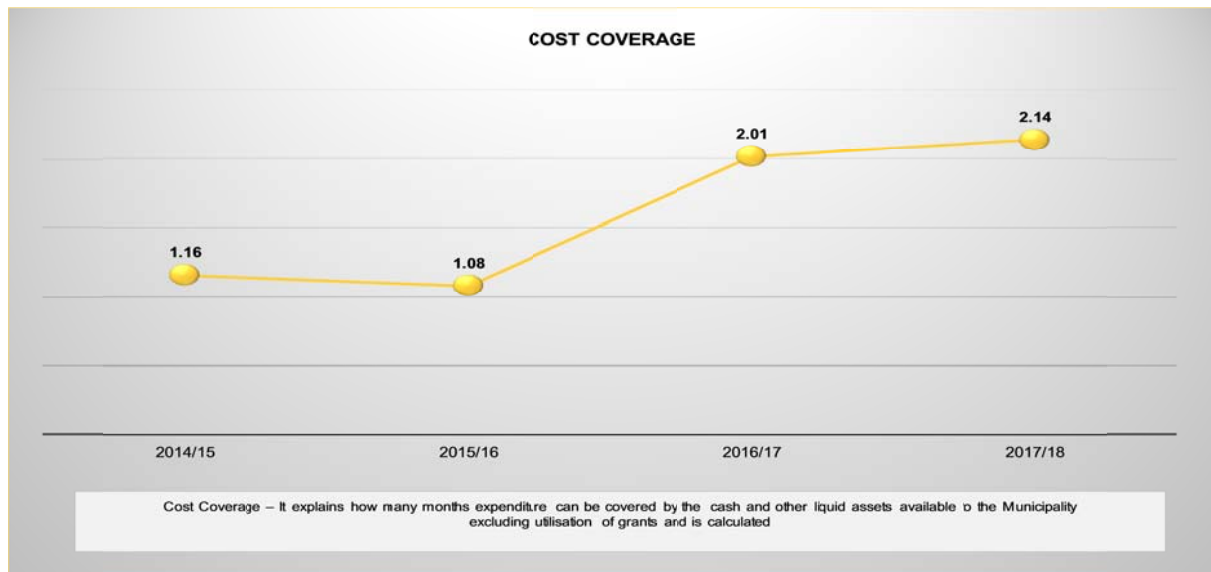
COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

Expenditure on repair and maintenance was very low at 2.6% 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 excluded from the 8%.

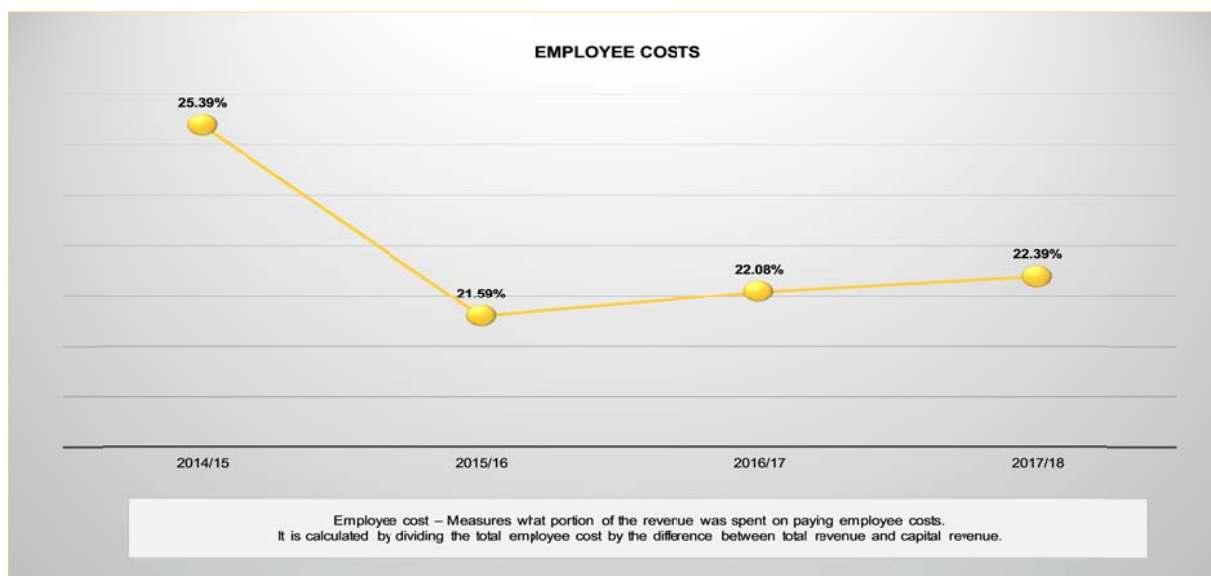
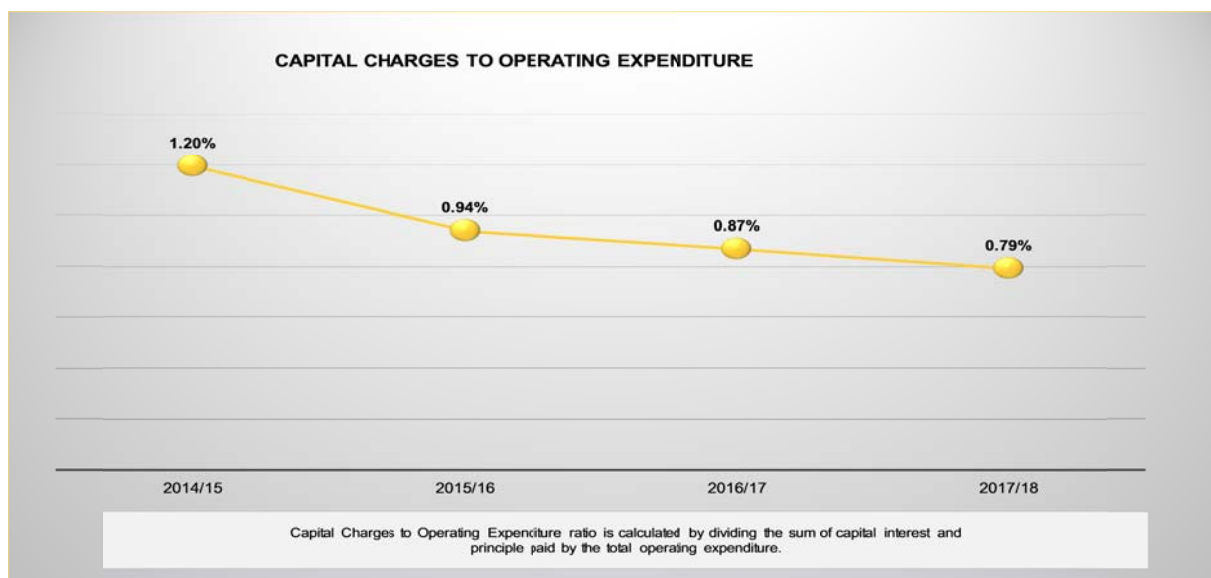
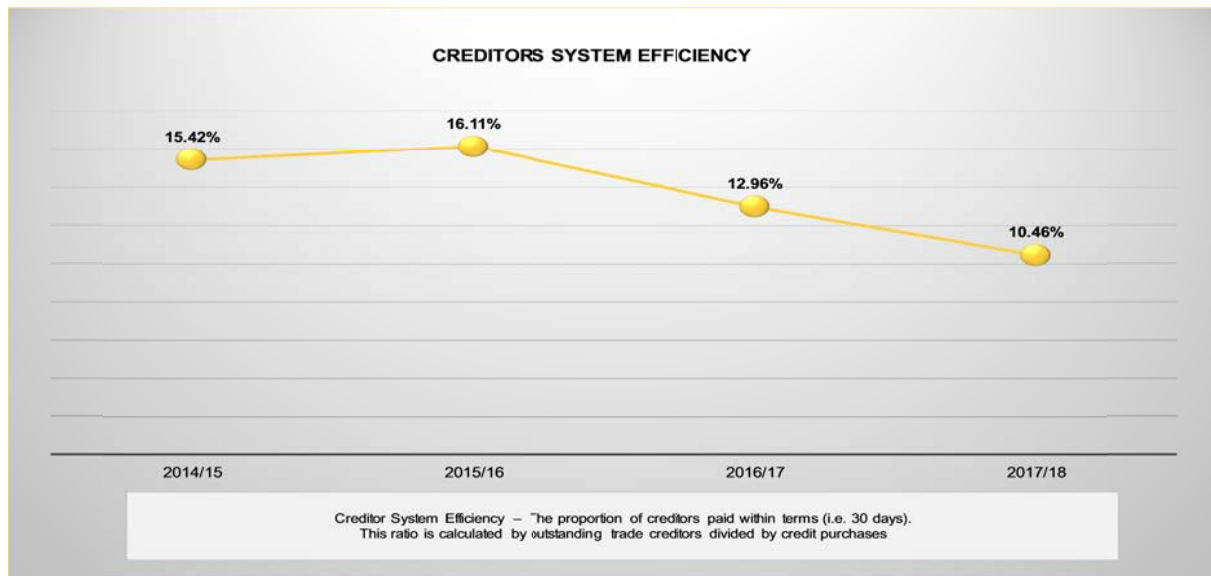
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



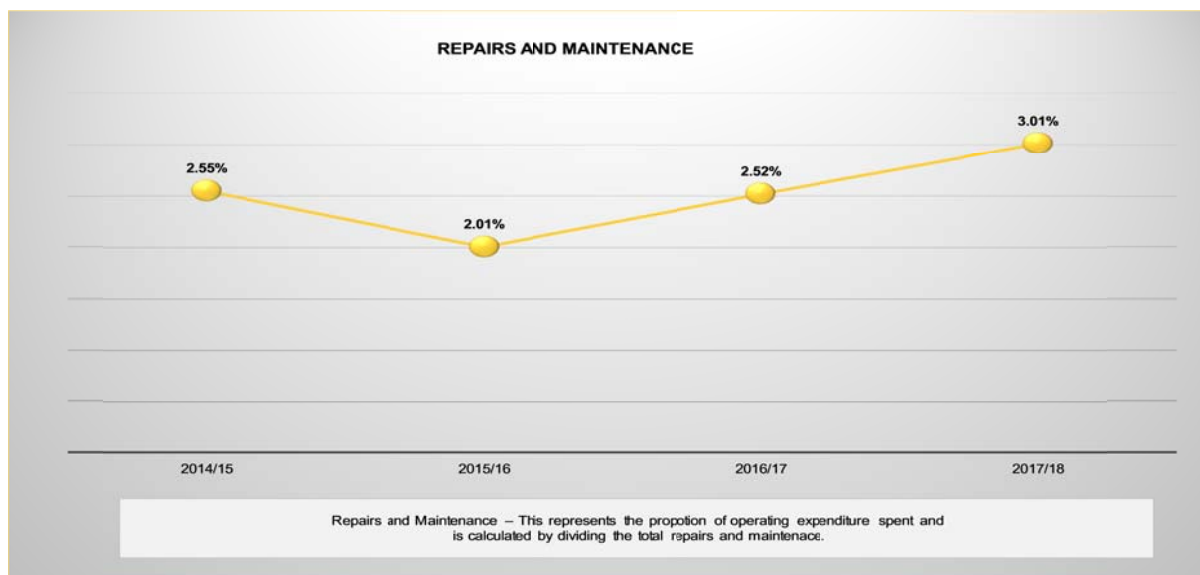
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COMMENTS ON THE FINANCIAL RATIO

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 City of Matlosana does not operate in that kind of environment. The ratio for the 17/18 financial year is a slightly higher than the prior year mainly due to the fact that the underlying drivers were stable.

The total outstanding services debtors' ratio has decreased for the year in relation to the prior year mainly due to previous debt write-offs accounted for. If this transaction is ignored the ratio will in fact show a real increase. One of the major factors will be the failed Phoenix (Vesta) financial management system that led to customer accounts being sent out late. This has been rectified by reverting Venus (BCX). Debt collectors will be appointed in the 2018/2019 financial year that should improve the collection rate and affect this rate.

The debt coverage ratio has improved due to more income billed while at the same time there were no new liabilities that needed financing.

The low reliance on capital funding is reflected in the ratio of capital charges to operational expenditure. It is reducing, as there was no additional loans entered into during the past financial year.

The ratio of employee cost to revenue is relatively constant and falls in the ranges that are experienced in the local government sector.

The increased ratio for repair and maintenance of 0.49% to 3.01% represent an additional R19m expenditure in relation to the prior year. The low ratio of repair and maintenance remains a concern, as it is lower than what is expected of a municipality to maintain its infrastructure. It must be noted that the salary cost of repair and maintenance is not included and will increase the percentage if included.

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Management is implementing 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

The Municipal Infrastructure Grant (MIG) and the Neighbourhood Development Partnership Grant (NDPG) mainly fund capital. 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 due to additional funding late in the reporting period.

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 2017/18					
				R'000	
R million	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Capital expenditure	214	204	175	18.0%	14.2%
Operating expenditure	3 277	3 277	2 886	11.9%	11.9%
Total expenditure	2 964	3 277	2 886	11.9%	11.9%
Water and sanitation	722	722	620	14.1%	14.1%
Electricity	781	782	667	14.6%	14.8%
Housing	50	50	11	78.6%	78.6%
Roads, pavements, bridges and storm-water	188	188	411	-118.9%	-118.9%
Other	1 537	1 535	1 178	23.3%	23.2%
Grants and subsidies	538	559	538	0.0%	3.7%
External loans	–	–	–		
Grants and subsidies	–	–	–		
Investments redeemed	–	–	–		
Statutory receipts (incl. VAT)	–	–	–		
Salaries, wages and allowances	587	587	579	1.3%	1.3%
Cash and creditor payments					
Capital payments	214	204	175	18.0%	14.2%
Investments made					
External loans repaid	14	14	–	100.0%	100.0%

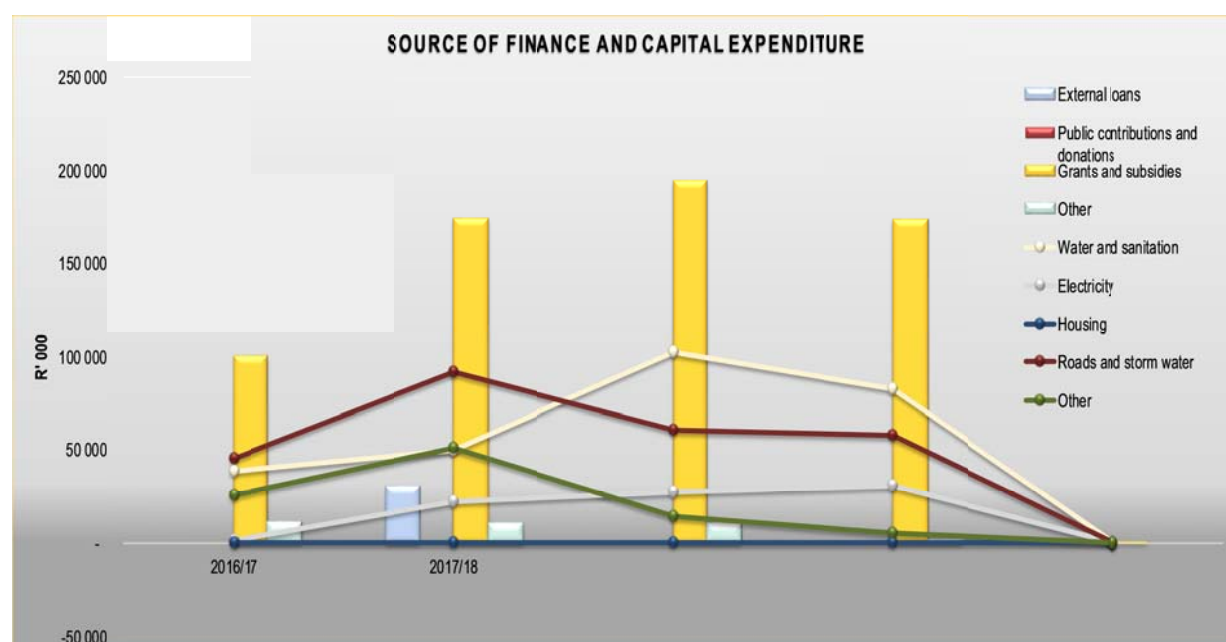
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CAPITAL EXPENDITURE 2017/18 (Cont.)					
					R'000
R million	Original	Adjustment	Actual	Original Budget variance	Adjusted Budget Variance
Property rates	379	379	294	22.4%	22.4%
Service charges	1 881	1 881	1 431	24.0%	24.0%
Other own revenue	696	696	864	-24.2%	-24.2%
	2 956	2 956	2 588	12.4%	12.4%
Employee related costs	587	587	579	0.00%	-98640.6%
Provision for working capital	–	–	–		
Repairs and maintenance	127	127	87	31.4%	31.4%
Bulk purchases	838	838	754	9.9%	9.9%
Other expenditure	2 312	2 312	1 466	36.6%	36.6%
	3 277	3 277	2 886		11.9%
Service charges: Electricity	838	838	701	16.4%	16.4%
Grants and subsidies: Electricity					
Other revenue: Electricity	23	23	(5)	120.0%	120.0%
	862	862	697	19.2%	19.2%
Employee-related costs: Electricity	44	44	43	3.9%	3.8%
Provision for working capital: Elec	–	–	–		
Repairs and maintenance: Elec	33	33	22	32.8%	32.8%
Bulk purchases: Electricity	558	558	468	16.1%	16.1%
Other expenditure: Electricity	145	147	134	7.9%	8.9%
	781	782	667	14.6%	14.8%
Service charges: Water	639	639	465	27.3%	27.3%
Grants and subsidies: Water					
Other revenue: Water	3	3	75	-2478.6%	-2478.6%
	642	642	540	15.9%	15.9%
Employee-related costs: Water	27	27	33	-20.4%	-20.4%
Provision for working capital: Water					
Repairs and maintenance: Water	16	16	11	30.3%	30.3%
Bulk purchases: Water	280	280	287	-2.4%	-2.4%
Other expenditure: Water	217	217	148	31.8%	31.8%
	541	541	479	11.4%	11.4%

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5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2016/17 TO 2017/18						
R' 000						
Details	2016/17	2017/18				
	Actual	Original (OB)	Adjustment	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	30 000	-	-		
Public contributions and donations	-					
Grants and subsidies	130 179	173 747	194 257	173 502	11.80%	-0.14%
Other	40 482	10 000	10 000	1 739	0.00%	-82.61%
Total	170 661	213 747	204 257	175 241	11.80%	-82.75%
Percentage of finance						
External loans	-	0	-	-	0.0%	0.0%
Public contributions and donations	-	-	-	-	0.0%	0.0%
Grants and subsidies	1	1	1	1	100.0%	0.2%
Other	0	0	0	0	0.0%	99.8%
Capital expenditure						
Water and sanitation	41 771	49 671	102 088	82 362	105.53%	65.82%
Electricity	356	21 904	27 404	30 346	25.11%	38.54%
Housing	-	-	-	-	0.00%	0.00%
Roads and storm-water	86 086	91 220	60 728	57 506	-33.43%	-36.96%
Other	42 448	50 952	14 037	5 027	-72.45%	-90.13%
Total	170 661	213 747	204 257	175 241	24.76%	-22.74%



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COMMENT ON SOURCES OF FUNDING

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

5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

CAPITAL EXPENDITURE OF FIVE LARGEST PROJECTS*					
Name of Project	2017/18			Variance: 2017/18	
	Original	Adjusted	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Water Supply To Midvaal End Point	72 250 230		59 811 841	17%	100%
Central Activity Spine	44 478 623		33 298 923	25%	100%
Matlosana Substation (INEP)	16 000 000		14 365 448	10%	100%
Alabama Bulk Water Supply 2 MI Pressure Tower	8 720 348		7 110 493	18%	100%
Bulk Services	6 350 895		6 980 648	-10%	100%
<i>* Projects with the highest capital expenditure in 2017/18</i>					
NAME OF PROJECT - A	Water Supply to Community				
Objective of project	None				
Delays	None				
Future challenges	Service Delivery				
Anticipated benefits					
NAME OF PROJECT - B	Roads Infrastructure				
Objective of project	None				
Delays	None				
Future challenges	Service Delivery				
Anticipated benefits					
NAME OF PROJECT - C	Electricity Supply				
Objective of project	None				
Delays	None				
Future Challenges	Service Delivery				
Anticipated benefits					
NAME OF PROJECT - D	Water Supply to Community				
Objective of project	None				
Delays	None				
Future challenges	Service Delivery				
Anticipated benefits					
NAME OF PROJECT - E	Infrastructure Maintenance				
Objective of project	None				
Delays	None				
Future challenges	Service Delivery				
Anticipated benefits					

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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

The closure of mines and migration of families from farming settlements put pressure on the upgrading of bulk infrastructure and increased settlement on unproclaim areas.

The backlog will affect the municipality negatively. The development of Master Plans for Water, Sewer, Roads and Electricity will assist in assessment of backlogs as well as submission of reports for counter funding. The repeated seismic incidents put more stress on the existing and old infrastructure in all areas of the City.

SERVICE BACKLOGS AS AT 30 JUNE 2018				
Services	Households (Hhs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No Hhs	% Hhs	No Hhs	% Hhs
Water	170 293	99%	1 479	1%
Sanitation	169 723	99%	2 049	1%
Electricity	168 273	98%	3 499	2%
Waste management	166 309	97%	5 463	3%
<i>% Hhs are the service above / below minimum standard as a proportion of total Hhs.</i>				

The above backlog will soon affect the municipality in a negative way; however, with the current efforts of submitting requests for funding through the development of Master Plans and Feasibility Reports some of the challenges will be addressed in the near future. 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 2017/18 ON SERVICE BACKLOGS					
R' 000					
Details	Budget	Adjusted	Actual	Variance	
				Budget	Adjustment
Infrastructure - Road transport	16 061	11 945	6 630	-142%	80%
Storm water	16 061	11 945	6 630	-142%	80%
Infrastructure – Electricity	7 905	7 905	10 065	-21%	-21%
High masts	7 905	7 905	10 065	-21%	-21%
Infrastructure - Water	42 187	80 970	76 499	-45%	6%
Alabama bulk water ph3	16 027	8 720	8 091	98%	8%
Water supply Midvaal	26 160	72 250	68 408	-62%	6%

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Infrastructure - Sanitation	7 484	21 118	9 528	-21%	122%
Upgrade sewer network Khuma	4 233	17 867	6 278	-33%	185%
Sewerage purification	3 251	3 251	3 250	0%	0%
Infrastructure - Other	4 452	4 452	3 119	0%	0%
PMU	4 452	4 452	3 119	0%	0%
Other specify: Sport	10 952	3 651	2 954	271%	24%
New Complex Khuma	10 952	3 651	2 954	271%	24%
Total	89 041	130 041	108 795		

*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 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	2016/17	2017/18			
	Audited Outcome	Original	Adjusted	Actual	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Ratepayers and other	1 158 964	2 075 951	2 075 951	1 108 792	
Government - operating	346 313	359 968	359 968	359 817	
Government - capital	130 162	178 041	178 023	178 023	
Interest	170 467	83 442	83 442	231 828	
Dividends	–	–	–	–	
Payments					
Suppliers and employees	(1 528 806)	(2 473 764)	(2 473 764)	(1 616 641)	
Finance charges	(43 955)	(11 000)	(11 000)	(45 826)	

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Transfers and Grants	–	–	–	–
NET CASH FROM / (USED) OPERATING ACTIVITIES	233 145	212 638	212 620	215 993
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		–	–	(158 252)
Decrease (increase) in non-current debtors	(149 824)	28	28	(24)
Decrease (increase) other non-current receivables		–	–	–
Decrease (increase) in non-current investments	(225)	10 000	10 000	(2 107)
Payments	1 630			
Capital assets	–	(213 589)	(204 259)	–
NET CASH FROM / (USED) INVESTING ACTIVITIES	(148 419)	(203 561)	(194 231)	(160 383)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	
Borrowing long-term / refinancing	–	30 000	–	–
Increase (decrease) in consumer deposits	(5 184)		–	5 817
Payments				
Repayment of borrowing / NT liabilities	(14 578)	(20 000)	(20 000)	(15 805)
NET CASH FROM / (USED) FINANCING ACTIVITIES	(19 763)	10 000	(20 000)	(9 988)
NET INCREASE / (DECREASE) IN CASH HELD		19 048	(1 621)	45 622
Cash / cash equivalents at the year beginning	–	20 945	20 945	90 532
Cash / cash equivalents at the year ending	–	39 993	19 323	136 154

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.

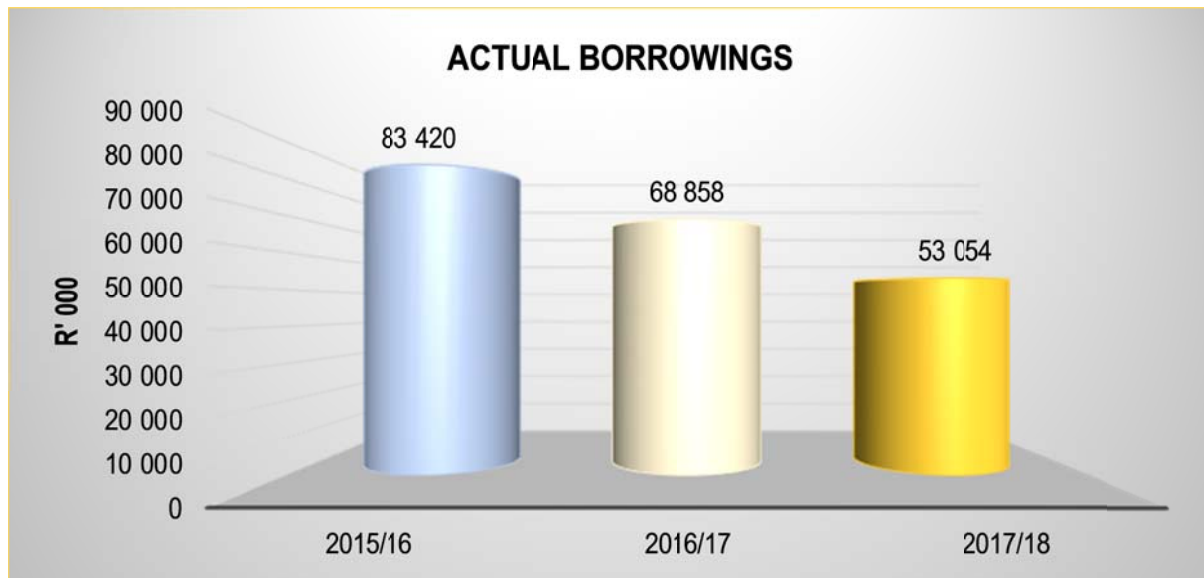
5.10 BORROWING AND INVESTMENTS

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 and NDPG grants is the main contributor and some securities.

ACTUAL BORROWINGS: 2015/16 TO 2017/18			
	R' 000		
Instrument	2015/16	2016/17	2017/18
Municipality			
Long-Term Loans (annuity/reducing balance)	83 420	68 858	53 054
MUNICIPALITY TOTAL	83 420	68 858	53 054

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MUNICIPAL INVESTMENTS			
	R' 000		
Investment type	2015/16 Actual	2016/17 Actual	2017/18 Actual
Deposits – Bank	70 762	79 137	83 094
Guaranteed Endowment Policies (sinking)	7 817	8 361	8 780
TOTAL	27 692	30 058	30 058

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 MI, NDPG and equitable share grants are the main contributor and some securities.

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

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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 2017/18 financial statement preparation process.

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CHAPTER 6 – AUDITOR-GENERAL'S AUDIT FINDINGS

INTRODUCTION

The audited 2017/18 Annual Report, including the Annual Financial Statements and Annual Performance Report is submitted to the Auditor-General on 28 September 2018 for auditing, as per legislative requirement.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2016/17

6.1 AUDITOR-GENERAL REPORT 2016/17

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

Qualified opinion – Financial Performance

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).

Unqualified opinion - Predetermined objectives

I did not identify any material findings on the usefulness and reliability of the reported performance information on any of the selected key performance areas of the municipality.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 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, 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 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

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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.

6.2 AUDITOR-GENERAL'S REPORT 2017/18



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

Opinion

1. I have audited the financial statements of the City of Matlosana set out on pages 349 to 416, which comprise of the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and 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, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA)
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

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



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7. The financial statements indicate that the municipality incurred a deficit of R298 024 136 for the year ended 30 June 2018 and, as of that date, the municipality's current liabilities exceeded its current assets by R316 630 088. 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

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

Unauthorised, irregular and fruitless and wasteful expenditure

9. As disclosed in note 42 to the financial statements, unauthorised expenditure of R140 879 370 was incurred in the current year and the unauthorised expenditure of R1 682 312 273 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
10. As disclosed in note 43 to the financial statements, fruitless and wasteful expenditure of R51 252 909 was incurred in the current year and fruitless and wasteful expenditure of R152 812 922 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
11. As disclosed in note 44 to the financial statements, irregular expenditure of R319 473 221 was incurred in the current year and irregular expenditure of R2 428 632 146 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Material losses and impairment

12. As disclosed in note 33 to the financial statements, electricity losses of 16% (2017: 24%) with a calculated cost of R76 810 462 (2017: R125 446 243) and water losses of 39% (2017: 35%) with a calculated cost of R110 987 654 (2017: R86 088 141) were incurred.
13. As disclosed in note 12 to the financial statements, the consumer debtors' balance has been significantly impaired. The allowance for impairment of consumer debtors amounts to R2 573 678 319 (2017: R2 594 131 809) which represents 87% (2017: 90%) of total consumer debtors. In addition, as disclosed in note 27 to the financial statements, contribution to debt impairment provision of R617 011 527 (2017: R543 458 552) were incurred as a result of significant impairment of debtors.

Restatement of corresponding figures

14. As disclosed in note 37 to the financial statements, a number of corresponding figures have been restated as a result of errors discovered during the year ended 30 June 2018.

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 R43 949 837 as well as repairs and maintenance by R19 845 611 due to cash flow shortages. As a consequence, the municipality was unable to adequately fulfil its mandate regarding service delivery.



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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 schedule

18. The supplementary information set out on page 417 does not form part of the financial statements and is presented as additional information. I have not audited this schedule 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 the appropriate governance structure either intends 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 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.



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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 area presented in the annual performance report of the municipality for the year ended 30 June 2018:

Key performance area	Pages in the annual performance report
KPA 1 – Basic Service Delivery and Infrastructure Development	144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223; 233-236

26. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
27. I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area 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 144 – 152; 154; 164; 175 – 178; 192; 200; 214; 221 – 223 and 233-236 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 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. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
32. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

33. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
34. The annual financial statements were not submitted to the Auditor-General, for auditing, within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

Expenditure management

35. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
36. Reasonable steps were not taken to prevent irregular expenditure of R319 473 221 as disclosed in note 44 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by the bid adjudication committee not properly constituted and not following the correct competitive bidding process. Irregular expenditure of R134 290 151 was incurred on the key projects for the construction of the water supply from Midvaal end point to Jouberton and Alabama, the Alabama 2ML elevated reservoir, the Central activity spine in Jouberton and the 20MVA Substation at Alabama.
37. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R51 252 909, 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.



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38. Reasonable steps were not taken to prevent unauthorised expenditure of R140 879 370, 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 caused by insufficient budget for the impairment on the consumer and other debtors as well as interest paid.

Consequence management

39. 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.
40. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

Human resource management

41. 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

Procurement and contract management

42. Some quotations and contracts 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.
43. Sufficient appropriate audit evidence could not be obtained that bid specifications are unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM regulation 27(2)(a).
44. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year.
45. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

Other information

46. 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 area presented in the annual performance report that have been specifically reported on in the auditor's report.
47. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.



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48. 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 area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
49. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

50. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
- Leadership did not adequately monitor management action plans to address prior year audit findings regarding compliance with laws and regulations 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 of staff is monitored was not implemented.
 - 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.

Other reports

51. 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.



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Investigations

52. 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

14 December 2018



Auditing to build public confidence

Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2017/18

The 2017/18 period under review was still part of a period of change. There were several new appointments of section 56 managers with only two directorate's post still vacant. The posts of Deputy Director Revenue and Expenditure, as well as Deputy Director Budget and Treasury were also filled.

It was also a very difficult year taking into account the disruption caused by the failed Phoenix system and the subsequent conversion back to Venus. An improved result could only be accomplished with the dedication of all the sections involved as well as the commitment of the office of the Municipal Manager to ensure that we make a success of this audit.

We have managed this with the available resources, 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 Municipal Manager 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.

The City of Matlosana received an unqualified audit opinion for the annual financial statements. This must be seen against the backdrop of 12 consecutive disclaimer of opinions from 2002 and followed by 4 qualified opinions from 2014.

We therefore wish to thank and congratulate all of the people involved for their hard work and dedication and would like to encourage them to continue the good service.

The AG raised a matter of concern relating to the material uncertainty relating to going concern and cited the deficit of R298 024 136 and the fact that the current liabilities exceeded current assets by R316 630 088. Management is confident that it can operate as a going concern despite these concerns. The City of Matlosana have entered into payment arrangements with the major creditors (Eskom and Midvaal). This will reduce the finance costs related to these creditors, which contributed to the deficit. Management have also appointed debt collectors as part of its financial recovery strategy with the aim to increase the debt recovery rate, which in turn will reduce the debt impairment and deficit. If this is implemented effectively, the City of Matlosana should be able to operate sustainably.

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 2018/19 is again attainable with the continued support of all management and staff.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2017/18

Performance Management once again received an unqualified audit opinion from the Auditor-General.

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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

GLOSSARY	
ACCESSIBILITY INDICATORS	Explore whether the intended beneficiaries are able to access services or outputs.
ACCOUNTABILITY DOCUMENTS	Documents used by executive authorities to give “full and regular” 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, “what we do”.
ADEQUACY INDICATORS	The quantity of input or output relative to the need or demand.
ANNUAL REPORT	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by 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 “what we use to do the work”. They include finances, personnel, equipment and buildings.
INTEGRATED DEVELOPMENT PLAN (IDP)	Set out municipal goals and development plans.
NATIONAL KEY PERFORMANCE AREAS	<ul style="list-style-type: none">  Service Delivery & Infrastructure  Economic Development  Municipal Transformation and Institutional Development  Financial Viability and Management  Good governance and Public Participation

Glossary

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

Appendices



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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	32%	68%
Cllr SOC Barrends	PT	Community and Health Services	ANC	68%	32%
Cllr CJ Bester	PT	Finance and Debt Normalisation	DA	79%	21%
Cllr SPJ Bogatsu	FT	MPAC Chairperson	ANC	84%	16%
Cllr MT Botman **	PT	MPAC	F4SD	68%	32%
Cllr PZM Burrel	PT	Economic Growth and Market; Transversal Issues	DA	84%	16%
Cllr MM Chao	PT	Sport, Arts and Culture	ANC	89%	11%
Cllr MV Chinga	FT	Single Whip	ANC	100%	0%
Cllr M Coetzee	PT	Infrastructure	DA	68%	32%
Cllr A Combrinck	PT	MPAC	DA	89%	11%
Cllr GLJ Cromhout	PT	Public Safety	DA	79%	21%
Cllr LL Cutswa	PT	Transversal Issues	ANC	84%	16%
Cllr SJ Daemane	FT	MMC Public Safety	ANC	100%	0%
Cllr KP Dibe *	PT	MPAC	F4SD	100%	0%
Cllr IM Groenewald	PT	MPAC	FF+	58%	42%
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+	95%	5%
Cllr KB Kali	PT	Finance and Debt Normalisation	EFF	47%	53%
Cllr ME Kamati	PT	Transversal Issues	ANC	100%	0%
Cllr MME Kgaile	FT	Executive Mayor	ANC	84%	16%
Cllr L Khoza	PT	MPAC	EFF	58%	42%
Cllr TG Khoza	FT	MMC Economic Growth and Market	ANC	100%	0%

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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 EL Kleynhans	PT	Economic Growth and Market; Infrastructure	FF+	84%	16%
Cllr M Koekemoer	PT	Sport, Arts and Culture; Corporate Services	DA	74%	26%
Cllr LM Kortjas	PT	Community and Health Services	ANC	74%	26%
Cllr JJ le Grange	PT	MPAC	DA	79%	21%
Cllr WJJ Louwrens	PT	Electrical Engineering	DA	89%	11%
Cllr NA Ludidi	PT	MPAC	ANC	95%	5%
Cllr PF Mabeli	FT	MMC Sport, Arts and Culture	ANC	95%	5%
Cllr TM Mabulela	PT	Infrastructure	ANC	100%	0%
Cllr PC Magwaca	PT	MPAC	COPE	37%	63%
Cllr MC Mahlangu	PT	MPAC	ANC	79%	21%
Cllr NG Maletse	PT	Public Safety	DA	79%	21%
Cllr MI Mangesi	PT	Infrastructure	ANC	100%	0%
Cllr IN Matetoane	FT	MMC Transversal Issues	ANC	84%	16%
Cllr A Meiring	PT	Finance and Debt Normalisation; Economic Growth and Market	IRASA	79%	21%
Cllr NS Mandela	FT	MMC Community and Health Services	ANC	89%	11%
Cllr LH Methi	PT	Community and Health Services Housing, Land Affairs and Rural Development	EFF	58%	42%
Cllr PN Moeng	PT	Housing, Land Affairs and Rural Development	ANC	68%	32%
Cllr GA Mohoemang	PT	MPAC	ANC	89%	11%
Cllr ML Mojaki	FT	MMC Corporate Services	ANC	58%	42%
Cllr LD Molefi	PT	Corporate Services	ANC	84%	16%
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	74%	26%

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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 PM Molutsi	PT	Sport, Arts and Culture; Infrastructure	DA	74%	26%
Cllr SL Mondlane	PT	Economic Growth and Market	ANC	74%	26%
Cllr SD Mongale	PT	Electrical Engineering	ANC	95%	5%
Cllr SD Montoedi	FT	MMC Electrical Engineering	ANC	95%	5%
Cllr SL Moremi	PT	MPAC	ANC	89%	11%
Cllr G Mqikela	PT	Infrastructure	ANC	53%	47%
Cllr ME Mosweu	PT	Housing, Land Affairs and Rural Development; Sport, Arts and Culture	EFF	42%	58%
Cllr SH Nani	PT	Corporate Services	ANC	100%	0%
Cllr K Ndincede	PT	Public Safety	ANC	84%	16%
Cllr GS Nkebe	PT	Finance and Debt Normalisation	ANC	84%	16%
Cllr S Nongqayi	PT	MPAC	ANC	100%	0%
Cllr NB Ntaopane	PT	Transversal Issues	ANC	79%	21%
Cllr MF Nthaba	FT	MMC Infrastructure	ANC	84%	16%
Cllr MJ Ntiane	PT	Economic Growth and Market	ANC	89%	11%
Cllr RW Ntozini	FT	Speaker	ANC	84%	16%
Cllr GC Oosthuizen	PT	Community Health Services	DA	95%	5%
Cllr LM Phakoe	PT	MPAC	ANC	84%	16%
Cllr EM Postma	PT	Corporate Services	DA	84%	16%
Cllr RK Ponisi	PT	Housing, Land Affairs and Rural Development	ANC	95%	5%
Cllr J Qankase	PT	Finance and Debt Normalisation	ANC	73%	27%
Cllr KL Ross	PT	Housing, Land and Rural Development; Transversal Issues	DA	84%	16%
Cllr HF Saudi	PT	Sport, Arts and Culture	ANC	58%	42%
Cllr TS Seabeng	PT	Housing, Land and Rural Development	ANC	89%	11%
Cllr TL Sekgothe	PT	Corporate Services	ANC	95%	5%
Cllr MN Seitisho	PT	MPAC	ANC	89%	11%
Cllr IM Semonyo	PT	Electrical Engineering	ANC	95%	5%
Cllr SP Sesana	PT	MPAC	DA	100%	0%

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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 LK Shuping	PT	Corporate Services; Public Safety; Transversal Issues	EFF	58%	42%
Cllr SL Sithole	PT	Electrical Engineering	ANC	74%	26%
Cllr LG Solomon **	PT	Corporate Services	F4SD	100%	0%
Cllr SM Steyn	PT	Economic Growth and Market; Electrical Engineering	DA	84%	16%
Cllr PJ Swart	PT	Finance and Debt Normalisation	DA	84%	16%
Cllr FI Tagaree	FT	MMC Finance and Debt Normalisation	ANC	100%	0%
Cllr B Tsabedze	PT	Public Safety	ANC	79%	21%
Cllr TO Vilakazi	FT	MMC Housing, Land and Rural Development	ANC	79%	21%
Cllr W Wallhorn	PT	Housing, Land Affairs and Rural Development; Finance and Debt Normalisation; Community Health Services	DA	74%	26%

* Cllr KP Dibe replaced Cllr L Moloko

** Cllr LG Solomon replaced Cllr MT Botman

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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 Local amenities Municipal abattoirs Municipal parks and recreation Pounds Public places Refuse removal, refuse dumps and solid waste disposal
Corporate Services	<ul style="list-style-type: none"> Records Management Legal Services Communication HR Administration HR Development and Training Labour Relations Administration of staff benefit schemes Administration of employment equity policy Keeping of personnel records 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

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MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES	
COMMITTEE	PURPOSE OF COMMITTEE
Public Safety	<ul style="list-style-type: none"> Firefighting services Municipal public transport Trading regulations Control of public nuisances Licensing of dogs Licensing and control of enterprises that sell food to the public Noise pollution Traffic and parking Control of enterprises that sell liquor to the public
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
Electrical Engineering	<ul style="list-style-type: none"> Electricity and gas reticulation Street lighting
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	<ul style="list-style-type: none"> Recommend to Council to: convert the entire resort into several sectional title units release Council from the administrative and financial burden that Orkney Vaal has imposed on Council ensure that the resort as a residential area has the infrastructure and ability to be an area of high quality and therefore an asset to the City of Matlosana implement the turnaround strategy at Orkney Vaal
Heritage Committee	<ul style="list-style-type: none"> To assist in the requirements of the National Heritage Resources Act, Act 25 of 1999, inter alia for: Protection and management of heritage resources Identification and protection of the heritage sites Documentation and registration thereof Management of Heritage site Presentation, protection, and that the municipality has to formulate/maintain, appropriate by-laws for the protection of the heritage sites.

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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	Kgoete BO
Deputy Director : Budget and Treasury Office	Sekgala TO
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	Rambuواني LD
Assistant Director : Library Services	Vacant
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

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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

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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 MOIKELA G ANK Mabusa MA Machakela MS Modutwane LM Sepele DM Seshabela	NE Fihla LJM Ntsie A Mokgothu MR Mokhati KJ Mokoto	Yes	12	12	4	
Ward 02	CLLR MOENG PN MM Mkoma DM Nombewu KC Mokopanele NM Madithapa SP Mokhoethe	KG Boko ET Mokobe BS Sinda TS Sekutle MI Mogomotsi	Yes	12	12	1	
Ward 03	CLLR TAGAREE FI LA Botes CP Le Ray HJ Holyoake CRR Magardie SM Magontse	MS Otimile CST Jacobs KJ Ditshaba D Bothma H Jumar	Yes	12	12	2	
Ward 04	CLLR BARREND'S SOC SL Madito SR Abrahams CR Radebe MT Melamu TM Mogolegeng	MS Mogapi NM Sebetlela DM Moseme MA Matlhatsi RK Moloto	Yes	12	12	9	
Ward 05	CLLR MOLEFI LD O Mokonyane ME Mokwena MH Gayiya Mokopanele MM Letshabo GL Motlaliile	ZM Bonga N Taunyana DD MN Molapisi OB Dihemo	Yes	12	12	8	
Ward 06	CLLR MONTOEDI SD KA Lekhetho MP Ntwanngwe KS Mabogole MJ Kelositswe SI Mlingwane	Z Mnisi M Soldati KM Soko RS Maluleke KI Mahlatsi	Yes	12	12	5	
Ward 07	CLLR SAUDI HF OJ Motebe TM Phepeng ST Matsetela VS Mphambaniso KE Gaborone	LI Piga TP Mohlanke DE Nkuke MG Harmse SH Masiu	Yes	12	12	4	

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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 AC Rens MC Moloji KL Dire PM Sekwati KM Lerefolo OJ shwalane	Yes	12	12	0	
Ward 09	CLLR NTIANE MJ R Pitso ET Kalaote NE Siwisa M Sizalupheli KV Maropolo TA Hlubi SJ Mothibakgomo HD Mabitse TJ Maarohanye J Gama	Yes	12	12	10	
Ward 10	CLLR MOJAKI ML ZC Bekezulu N Mxaku MM Taunyane MS Banda SM Botlthomo MD Mokae RM Rathabe ML Mokgosi ME Gabaratiwe LN Faku	Yes	12	12	10	
Ward 11	CLLR MANGESI MI 1 x Vacant S Bobelo NA Ngoqoto M Mahoko MM Mogoera JV Dube ES Molaolwa LI Mosime NF Mazule JV Gazi	Yes	12	12	10	
Ward 12	CLLR CHAO MM ZJ Nxamgeni SI Mokeki NL Bonde GM Gouws MM Kgare K Gaeje J Makeka TN Qingana GE Kaudi RK Koki	Yes	12	12	5	
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	12	12	9	
Ward 14	CLLR SEMONYO IM NR Moloto TS Medupe KP Montshonyana MC Nonca MK Seabo KR Thobedi P Makhwanyane JL Molefe MP Tlali MP Leshomo	Yes	12	12	4	

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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 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	12	12	2
Ward 16	CLLR COMBRINCK A KTR Lenong S Postma KOA Nelson HJP Knoetze SM Maleka TD Sathage PJJ Scheepers JFF Ras SCB Symington OF Sekete	Yes	12	12	0
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	12	12	0
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	12	12	4
Ward 19	CLLR LE GRANGE JJ MCJ Le Grange A Bester AME Rossouw PF Roux MCJ Scholtz ACJ Visagie HJ Lubbe R Havenga BT Fourie AL Brophy	Yes	12	12	0
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	12	12	12
Ward 21	CLLR NDINCEDE K NB Pinga(Dyobo) S Gasa Z Thwala S Fetman N Mqwebevu NM Mzeku NN Mnqanqeni D Welishi NE Mabindisa G Maswabi	Yes	12	12	8

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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 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	12	12	7
Ward 23	CLLR NANI SH LM Motsusi P Tjeko EL Semamola LC Ntai NM Magwaza M Abednigo MI Molelekeng MJ Nyathela V Dlobela KI Mosielele (Majake)	Yes	12	12	6
Ward 24	CLLR MABULELA TM TI Ntsuku ME Mtuze MR Montshing DA Morake SD Bulwane JT Mpotle FM Mojanaga AK Moepi DJ Mhlungu JT Grabie	Yes	12	12	10
Ward 25	CLLR PHAKOE LM KF Letlole GN Tiyo LS Gadinabokawo RM Fusa MT Moroe MS Botsielo BL Marera TIZV Kraai EN Magagula RJ Masita	Yes	12	12	7
Ward 26	CLLR MONGALE SD MT Maferoka HN Gciva SF Hlahaswane S Ntakana BM Johnson VN Gooster MJ Ntekiso JM Ngo MM Moeketsi MD Konyana	Yes	12	12	5
Ward 27	CLLR CUTSWA LL MP Mtolo MA Ndonga NI Tshabalala PV Dlamini GS Mdiza NS Thom MM Maloka AS Matebese PB Sedikane CN Lomo	Yes	12	12	12
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	12	12	1

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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 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	12	12	0
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	12	12	4
Ward 31	CLLR MABELI PF MC Wykaart SJ Majiji MM Mathabela MF Sompane PD Koloane JM Ntsie SZ Motsapi MJ Tsibolane JN Kgwedieaphuku TN Metshe	Yes	12	12	5
Ward 32	CLLR NTAOPANE NB OE Mokgoro Z Tinga KD Molelekoa NM Funani KL Maletise KL Mokgoro MP Sodlemba M Moletsane KE Modukanele MT le Roux	Yes	12	12	3
Ward 33	CLLR QANKASE J TP Kondlo MD Sereko PP Motaung KR Latha M Mparwana N Khalipa SI Mazantsana DM Mothupi JT Moroka M Gumata	Yes	12	12	3
Ward 34	CLLR PONISI RK JR Makgale CN Nyathi TI Phalamahashi GB Xolo IM Matlanye ME Zita NN Lethea ML Motete 2 x Vacancies	Yes	12	12	0
Ward 35	CLLR DAEMANE SJ ZJ Ziyane NS Njobe OM Tlhomelang AF Mdleleni NS Njobe MD Rabase NS Makhubalo AI Mkathini SM Moletsane TE Msikinya DO Sekhakhane	Yes	12	12	0

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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 36	CLLR LUDIDI NA ST Maetoa SN Tokoane RD Mohale MA Chabedi NS Tshabalala MJ Nguye ME Mohale NJ Makoe DS Nteso 1 X Vacant	Yes	12	12	9
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	12	12	2
Ward 38	CLLR SITHOLE SL JP Masunyane K Maguba MA Lekitlane BA Mahlophe NS Moleleki CN Ntloko DP Twala VL Masango Z Jijingubo 1 x Vacant	Yes	12	12	4
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	12	12	0

Appendices

APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER)				
CAPITAL PROJECTS: SEVEN LARGEST IN 2017/18 (FULL LIST AT APPENDIX O)				
R' 000				
N0	Project Name and detail	Start Date	End Date	Total Value
1	Water Supply to Midvaal End Point	01/07/2017	30/06/2018	59 812
2	Alabama Bulk Water Supply 2 MI Pressure Tower	01/07/2017	30/06/2018	7 110
3	Upgrade Sewer Network Khuma Property NE 21	01/07/2017	30/06/2018	6 363
4	Matlosana Substation (INEP)	01/07/2017	30/06/2018	14 365
5	Paving of Taxi Routes Jouberton Phase 4B	01/07/2017	30/06/2018	3 225
6	Bulk Services	01/07/2017	30/06/2018	6 981
7	Central Activity Spine	01/07/2017	30/06/2018	33 299

BASIC SERVICE PROVISION 2017/18				
DETAIL	WATER	SANITATION	ELECTRICITY	REFUSE
Households with minimum service delivery	170 293	169 723	168 125	166 309
Households without minimum service delivery	1 479	2 049	3 647	5 463
Total Households*	171 772	171 772	171 772	171 772
*Including informal settlements				

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

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
DATE OF COMMITTEE	COMMITTEE RECOMMENDATIONS DURING 2017/18	RECOMMEN- DATIONS ADOPTED
17 AUGUST 2017	Vetting of SCM staff be conducted	Adopted
24 and 25 NOVEMBER 2017	Municipality address the issue relating to Waste Water Treatment License	Adopted
	That proposed Internal Audit structure be referred to Human Resource for incorporation into the organisational holistic structure	Adopted
	That management prioritise review of municipal leave policy	Adopted
	That a report outlining the plan on how municipality will address the infrastructure challenges be submitted in the next meeting	Adopted
28 FEBRUARY 2018	Municipality develop a plan that includes status quo of the overall 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 CFO make a follow-up on skill transfer and submit report in the next meeting.	Adopted
	That to minimize reliance on consulting, the filling of Deputy Director Budget be finalised.	Adopted
24 MAY 2018	Detailed written report regarding status on previous UIF & W be included.	Adopted
	Submission of detailed report on awarded emergency tenders.	
		Adopted
	Submission of detailed report on Eskom payment/transactions.	
	That the IT governance report be prepared in accordance with the Department of Public Service and Administration (DPSA) guidelines.	Adopted
26 JUNE 2018	Audit Plan be provisionally approved subject to inputs made by the Audit Committee and management commitments to make available adequate resources for the implementation of the plan,	Adopted
	Internal Audit implement the first quarter audits until the plan is finally approved by the Audit Committee in the next meeting.	Adopted
	That Final reports in GRAP format (interim AFS), as well as Management reports with comments (SDBIP vs Budget) be submitted on a quarterly basis.	Adopted

Appendices

APPENDIX H – LONG TERM CONTRACTS

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2017/18)				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
Mr Sydney Mafotsi Mundhlani Khuwait Holdings	Appointment of multiple service providers for the supply and delivery of bituminous binding material for a period of (24) months on as and when required	01/02/2018	31/01/2020	Technical and Infrastructure
Mojalefa Phoofolo Funeral Home	Appointment of panel of undertakers to provide burials as and when required for a period of 12 (twelve) months	01/09/2017	31/08/2018	Health services
Khethuthula Holdings	Supply and delivery of plastic refuse bins with loose lids (85 lt) on as and when required basis for a period of twelve (12) months	01/11/ 2017	29/09/2018	Community Development
Mtshepana Trading and Projects (Pty) Ltd	Supply and delivery of mobile containers (240 lt) with additional wheels and axles on as and when required basis for a period of twelve (12) months	01/11/ 2017	29/09/2018	Community Development
Mbona Consulting	Agricultural hub	26/01/2018	25/01/2020	LED
JV and Patrick Sello Maema Mk63 / White Leopard JV	Provision of security services	10/01/2018	17/01/2021	Public safety
Mr Moagi Mtsamai Moleme Moagi Le Bana Trading and Projects Mr Mamba Charles Sefiso Se-Sifikile Construction and Projects Mr Sydney Mafotsi Mundhlani Khuwait Holdings Mr Mogotsi Alpha Mokgasane Fatherland Projects	Appointment of multiple service providers for the supply and delivery of plain crusher sand, plain crusher stones, building sand builders mix as and when required for a period of 24 months	01/02/2018	31/01/2020	Technical and Infrastructure
PK Financial Consultant	VAT review and recovery	20/03/2018	29/06/2019	Finance

Appendices

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2017/18) Cont.				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
<ul style="list-style-type: none"> Mr George Speropoulos Amandla Building Construction Mr Sydney Mafotsi Mundhlani Khuwait Holdings Mr Samuel Molato Dikhing Rosking Pty Ms Tidimalo Thelma Sebake Ratanang Suppliers and Projects 	Repair of road crossing in City of Matlosana municipality area for the period of twenty four (24) months on as and when required basis	19/01/2018	18/01/2020	Technical and Infrastructure
<ul style="list-style-type: none"> Mr Edward Koos Scheepers EK Construction and General Trading Mr Elliot Zonakele Caleni NI Suppliers and Projects Mr Mamba Charles Sefiso Se-Sifikile Construction and Projects Ms Tidimalo Thelma Sebake Ratanang Suppliers and Projects Mr Sydney Mafotsi Mundhlani Khuwait Holdings Mr Teme Genuine Mokgosani Shimador Trading Enterprise Mr Mohau Elias Mothibeli Khales Trading 	Supply, delivery of bituminous product (hot & cold asphalt) for potholes patching as and when required for a period of 24 months	01/02/2018	31/01/2020	Technical and Infrastructure
<ul style="list-style-type: none"> Mr Elliot Zonakele Caleni NI Suppliers and Projects Mr Mamba Charles Sefiso Se-Sifikile Construction and Projects Ms Tidimalo Thelma Sebake Ratanang Suppliers and Projects 	Appointment of multiple service providers for the supply and delivery of bituminous binding material for a period of (24) months on as and when required	01/02/2018	31/01/2020	Technical and Infrastructure
<ul style="list-style-type: none"> Laminar Group of Companies (Ramokone Jacolyn Phato) 	Memorandum of understanding (MoU)	31/01/2018	30/01/2020	LED
<ul style="list-style-type: none"> Auralia Trading and Projects (Pty) Ltd JV Ludonga Construction 	Construction of a new sports complex in Khuma	19/04/2018	18/10/2020	Technical and Infrastructure
<ul style="list-style-type: none"> Mr Moagi Mtsamai Moleme Moagi Le Bana Trading and Projects 	Supply and delivery of cleaning material on as and when required basis for a period of 26 months	03/04/2018	02/03/2020	Community Development / SCM

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LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2017/18) Cont.				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
<ul style="list-style-type: none"> Mafotsi Sydney Mundhlani Khuwait Holdings Mampho Leah Lehoko Liviya Projects Edward Koos Scheepers EK Construction and All General Trading Mogotsi Alpha Mokgosane Fatherland Trading And Projects Ompinyana Trading Enterprise Butiwane Trading Enterprise Kaizer Nthaeng Tjtk Trading Enterprise Mr Sipho Clinton Makasule Babatsho Construction and Projects 65 CC 	Supply and delivery of uPVC and HDPE pipes and fittings for a period of twenty four (24) months as and when required basis	03/04/2018	02/04/2020	Technical and Infrastructure
<ul style="list-style-type: none"> Ms Livhuwani Portia Mukhithi Lizemaco Trading and Projects Mr Abednigo Itumeleng Morebudi Dreamfinders Trading Projects 115 CC Mr Xolani Innocent Thela Inkuliso Projects Mr Sibongile Mashiya Mr Sibongile Mashiya (Pty) Ltd Mr Mohau Elias Mothibeli Khales Trading Ms Rachel Molamu Mercycon Construction and Projects CC Mr Mameta Columbus Mamabolo Ms Mamabolo and Sons (Pty)Ltd Mr Kagiso Afrika Fox Molato Investment (Pty) Ltd Mr Jeffrey Itumeleng Koetle Estilo Investment (Pty) Ltd 	Supply and delivery of protective clothing as and when required basis for a period of twenty four (24) months	13/02/2018	12/02/2020	Community Development / SCM

Appendices

LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2017/18) Cont.				
Name of service Provider	Description of services rendered by the service provider	Starting date of contract	Expiry date of contract	Project manager
<ul style="list-style-type: none"> Liviya Projects (Pty) Ltd Dreamfinders Trading Projects 115 CC Khethuthula Holdings (Pty) Ltd Tsakane 24/7 (Pty) Ltd Khuwait Holdings (Pty) Ltd 	Supply and delivery of stationery on as and when required basis for a period of 24 months	03/04/2018	02/03/2020	Community Development / SCM
<ul style="list-style-type: none"> Mr Sipho Clinton Makasule Babatsho Construction and Projects 65 CC Tsakane 24/7 (Pty) Ltd Mafotsi Sydney Mundhlani Khuwait Holdings Khethuthula Holdings (Pty) Ltd Ms Livhuwani Portia Mukhithi Lizemaco Trading and Projects Mafaesa Trading Enterprise CC 	Supply and delivery of cleaning material on as and when required basis for a period of 26 months	03/04/2018	02/03/2020	Community Development / SCM
<ul style="list-style-type: none"> Khethuthula Holdings (Pty) Ltd Moagi Le Bana Trading and Projects Diseko Holdings Enterprise Thabo Mphene Mcmajeng Glenpops 335I Trading 2SO J Life JV Aapie Construction Cleaning Dira Mmogo Business Enterprise Rapidus 325 Enterprise Alfamega Construction TSK Resources Gautemi Communications Lebang Cleaning and Other Blacklish Life Verigated Kaomo Wa Tshiamo Trading Elegant Line Trading Druven Trading Enterprise Bolekano Building EK Construction Mtshepana Trading Somila Corporate Mavisto Trading Creative Warfare 	Provision of grass cutting and bush cleaning services on as and when required for the period of 24 month	01/06/2018	31/05/2020	Community Development / SCM

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APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2017 TO 30 JUNE OF 2018		
Position	Name	Description of Financial interests* (None or details)
Executive Mayor	Cllr ME Kgaile	My 2 and Son's Trading and Projects (Pty) Ltd Portion 21 of Erf 3657 Stilfontein Ext 4 Property - No 5 Hobson Street, La Hoff
Speaker of Council	Cllr RW Ntozini	Nomdimba and Tutuse Road Construction - 100% Nomdimba Mineral Resources – 50% Nomdimba Civil Projects – 100% NWV Contracting – 26% WGH Mining – 26% Member of NFMW
Single Whip of Council	Cllr MV Chinga	Emang Sechaba Enterprise Pty (Ltd) – Member NWMF
MEMBERS OF MAYORAL COMMITTEE		
Corporate Services	Cllr ML Mojaki	None
Transversal Issues	Cllr NI Matetoane	None
Housing, Land and Rural Development	Cllr TO Vilakazi	Yimani Bafazi Trading Pty Ltd – 31% - 2015/030029/07 Member of MFMW
Sport, Arts and Culture	Cllr PF Mabeli	None
Finance and Debt Normalization	Cllr FI Tagaree	Member of MCPF
Economic Growth and Market	Cllr TG Khoza	None
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	None
Electrical and Mechanical Engineering	Cllr SD Montoedi	Dira MMogo Agriculture Member of the MCPF
Chairperson of MPAC	Cllr SPJ Bogatsu	Use to be member of the MCPF
COUNCILLORS		
PR Councillor	Babuile M	None
Ward Councillor W4	Barrends SOC	Ya Rona Karona Trading Enterprise LTD PTY - 2015/003823/07
Ward Councillor W28	Bester CJ	None
PR Councillor	Botman MT	Thambo Botman Attorneys – Owner - ±R20 000.00
PR Councillor	Burrell PZM	Chartered Property Empire – Estate Agent– Strictly Commission GEPP Widows Pension
Ward Councillor W12	Chao MM	LuluCho Pty Ltd – 100%
Ward Councillor W27	Cutswa LL	Member of the MEF

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DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2017 TO 30 JUNE OF 2018		
Position	Name	Description of Financial interests* (None or details)
PR Councillor	Coetzee M	Philip Coetzee Familietrust Property - 52 Vermaas Member of the MCPF
Ward Councillor W16	Combrinck A	Anumelmig Vullisverwydering CC – 51%-2010/058718/23 Property - Erf 359, Klerksdorp Member of the MCPF
PR Councillor	Cromhout CLJ	Wholesale Manager at Daly Wholesale – Sales Manager ±R480 000.00 Property - 29 Cashew Str, Meiringspark, Klerksdorp Member of the MICFA Pension Fund
PR Councillor	Dibe KP	None
PR Councillor	Groenewald IM	MG Development (Pty) Ltd – 100% Alt Director Midvaal Water Company Member of the MCPF
PR Councillor	Hlekiso PA	None
PR Councillor	Horn PT	Property - 10 Lily Ave, Adamayview Member of the Sentinel Fund
PR Councillor	Kali KB	Dogs of the Road Cabs (Taxi Industry) – Owner Partnership: Portia Kali (Taxi Industry)
Ward Councillor W20	Kamati EM	None
PR Councillor	Khoza L	None
PR Councillor	Kleynhans EL	SA Imuno Foods (Pty) Ltd – 100% -MD Natuforce (Pty) Ltd – 35% - Non-Exel
PR Councillor	Koekemoer M	None
PR Councillor	Kortjas LM	Member of the MCPF
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 W30	Louwrens WJ	Member of SALGA Pension Fund
Ward Councillor W36	Ludidi NA	None
Ward Councillor W24	Mabulela TM	None
PR Councillor	Magwaca PC	None
PR Councillor	Mahlangu MC	None
PR Councillor	Malete NG	Member of the MCPF
Ward Councillor W11	Mangesi MI	Thamalalang Trading Enterprise CC-80%(de-registered)
PR Councillor	Meiring A	Member of Old Mutual Pension Fund
PR Councillor	Mohoemang GA	Southern North Trading Enterprise – 25% Member of the MCPF
PR Councillor	Mahlangu MC	None
PR Councillor	Mendela NS	Membotla Project – 50% - Co-Director Sunken Construction – 50% - Co-Director Member of the MCPF

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DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2017 TO 30 JUNE OF 2018		
Position	Name	Description of Financial interests* (None or details)
PR Councillor	Malete NG	Member of the MCPF
Ward Councillor W11	Mangesi MI	Thamalalang Trading Enterprise CC-80%(de-registered)
PR Councillor	Meiring A	Member of Old Mutual Pension Fund
PR Councillor	Methi LH	Member of MCPF
Ward Councillor W2	Moeng PN	Titanic Funeral Services – 50%
PR Councillor	Mohoemang GA	Northern South Pty Ltd Member of the MCPF
Ward Councillor W5	Molefi LD	Daniel M Consulting (Pty) Ltd – 100% Wood Kings Enterprise – 100%
PR Councillor	Moloko L	Tsa Bokone Trading & Projects (Pty) Ltd – 100%
PR Councillor	Molutsi PM	None
PR Councillor	Mondlane SL	Multi-Phase Pty (Ltd) – 50%
Ward Councillor W26	Mongale SD	None
PR Councillor	Moremi SL	None
Ward Councillor W1	Mqikela G	None
PR Councillor	Mosweu ME	Close Corporation – Mosweu Catering and Transport Services (Pty) Ltd
Ward Councillor W23	Nani SH	Tuck Shop at home ±R3 000 per month
Ward Councillor W20	Ndincede K	None
PR Councillor	Nkebe SN	Member of MCPF
PR Councillor	Nongqayi S	None
Ward Councillor W32	Ntaopane NB	Aganang (Pty) Ltd – 60% Vry Ntaoza – 20%
Ward Councillor W9	Ntiane MJ	None
PR Councillor	Oosthuizen G C	Property - 51 Berg Street, Hartbeesfontein
Ward Councillor W25	Phakoe L M	None
Ward Councillor W34	Ponisi R K	CEO – HCP Construction
Ward Councillor W17	Postma E M	Farm Drogekraal – District Wolmaransstad Property - 24 Heide Street, Klerksdorp
Ward Councillor W33	Qankase J	Close Corporation-Local Harvester Primary Corp-20%
PR Councillor	Ross K L	None
Ward Councillor W7	Saudi H F	None
Ward Councillor W22	Seabeng T S	None
Ward Councillor W37	Sekgothe T L	None
Ward Councillor W18	Seitisho M N	None
Ward Councillor W14	Semonyo I M	EM Semonyo Enterprise-2016/517639/07-Director
PR Councillor	Sesana S P	None
PR Councillor	Shuping L K	None
Ward Councillor W38	Sithole S L	None
PR Councillor	Solomon LG	Bosa Boya Pele Pty Ltd – 100% - 2016/402950/07 Partnership: - Obakeng W Solomon – 33% - Serite Ditiro Solomon – 33% - Gladys L Solomon – 34%

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DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2017 TO 30 JUNE OF 2018		
Position	Name	Description of Financial interests* (None or details)
Ward Councillor W29	Steyn S M	Member of GEPP
Ward Councillor W15	Swart P J	Member of the Sanlam Pension Fund
PR Councillor	Tsabedze B	None
Ward Councillor W39	Wallhorn W	2010/119456/23 - Choje Enviro – 50% No income received through Choje Enviro CC Member of NFMW
SENIOR MANAGERS		
Municipal Manager	Nkhumise T S R	MTN Phuthuma – R 20 000 Bakone Family Trust – Currently dormant Nkhura Property Development – R 10 500 Bakone Guest House - R 10 000 Houses erf 4011 Thabazimbi – R 650 000 House erf 4116 Thabazimbi – R 750 000 House erf 864 Modimole - R 900 000 House erf 2966 Modimole R1 .9 m House erf 247 Pretoria R 554 000
Director Budget and Treasury	Ramorwesi M K G	Baile Violet Trust House in Ifafa – R1.8 m Houses in Cashan Rustenburg – R500 000 Houses in Cashan Rustenburg – R500 000 House in Tlhabane Wes – R 600 000
Director Corporate Support	Seametso L	None
Director Technical and Infrastructure	Madimutsa R	House Polokwane – R 750 000
Director Community Development	Molawa M M	Hiring of furniture (Husband) House – R 810 000 Flat (Units) – R390 000
Director Public Safety	Nkhumane L J	Funeral and Transport Services - R 50 000 per year Restaurant - R 2 000 per week House Gauteng – R 800 000 House Limpopo - R100 000
Acting Director Local Economic Development	Khuzwayo M A	House in Naserhof - R 1 m House in Johannesburg – R500
Acting Director Planning and Human Settlements	Phala SP	House in Stilfontein – R400 000

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
						R' 000
Vote description	2016/17	2017/18		2017/18 Variance		
	Actual	Original	Adjusted	Actual	Original	Adjustments
1.1 - Executive and Council	527	7 695	7 695	3 108	1.48	1.48
1.2 - Budget and Treasury Office	791 542	918 209	918 209	963 812	-0.05	-0.05
1.3 - Corporate Services	273	0	0	547	-1.00	-1.00
2.1 – Roads	6 190	99 425	68 933	3 641	26.30	17.93
2.2 – Water	498 002	684 383	723 166	541 003	0.27	0.34
2.3 - Sewer	119 925	183 576	197 211	113 347	0.62	0.74
2.4 - Electricity	711 135	883 589	889 089	696 540	0.27	0.28
2.5 - Housing	557	2 166	2 166	1 501	0.44	0.44
3.1 – LED	21 004	0	0	0.7	-1.00	-1.00
3.2 - Market	18 854	21 569	21 569	20 174	0.07	0.07
4.1 - Community and Environmental Services	1 528	4 150	4 150	4 898	-0.15	-0.15
4.2 - Sport and Recreation	2 506	13 183	5 882	1 900	5.94	2.10
4.3 - Public Safety	83 846	95 330	95 717	84 065	0.13	0.14
4.4 – Health	97	0	0	5	-1.00	-1.00
4.5 – Cleaning	146 555	216 251	216 251	153 883	0.41	0.41
TOTAL REVENUE BY VOTE	2 402 541	2 955 774	2 955 774	2 588 431	32.72	20.71

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE						
						R '000
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original	Adjusted	Actual	Original	Adjustments
Property rates	265 941	378 837	378 837	294 055	-29%	-29%
Property rates - penalties and collection charges						
Service charges - electricity revenue	699 088	838 331	838 331	701 219	-20%	-20%
Service charges - water revenue	465 049	639 296	639 296	510 685	-25%	-25%
Service charges - sanitation revenue	98 707	173 694	173 694	98 497	-76%	-76%
Service charges - refuse revenue	126 282	215 011	215 011	120 425	-79%	-79%
Service charges - other	16 616	15 000	15 000	–	0%	0%
Rentals of facilities and equipment	5 137	6 587	6 587	5 094	-29%	-29%
Interest earned – ext. investments	8 358	2 500	2 500	10 588	76%	76%
Interest earned - outstanding debtors	162 109	161 884	161 884	220 170	26%	26%
Dividends received	–	–	–	–	0%	0%
Fines	10 505	7 452	7 452	11 247	34%	34%
Licences and permits	7 107	7 529	7 529	12 654	41%	41%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	477 693	364 262	364 262	359 819	-1%	-1%
Other revenue	59 946	145 392	145 392	65 958	-120%	-120%
Gains on disposal of PPE	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	2 402 540	2 955 774	2 955 774	2 410 411	-22.63%	-22.63%

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG 2017/18						
						R' 000
Details	Budget	Adjusted	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments	
Neighbourhood Development Partnership Grant	75 000	48 755	48 740	0.54	0.00	Radiating spatial inequality towards the creation of liveable, sustainable, resilient, efficient and integrated towns and cities
Fire	-	-	123			
Other (specify):						
Sport & Recreation	1 200	1 200	1 189	0.01	0.01	To facilitate sport and creation participation and empowerment in partnership with relevant stakeholders
INEP	14 000	19 500	20 364	-0.31	(0.04)	To reduce the backlogs of un-electrified households and to fund infrastructure to ensure constant supply of electricity
Local Government Equitable share	354 377	354 377		-	-	To promote
EPWP INCENTIVE	2 246	2 246	2 108	0.07	0.07	To provide funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
FMG	2 145	2 145	2 145	-	-	To promote and support financial management reform by building capacity in municipalities to implement the Municipal Finance Management Act
TOTAL	448 968	428 223	74 669	5.01	4.73	

COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

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

Appendices

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

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

CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*							
R '000							
Description	2016/17	2017/18		Planned Capital Expenditure			
	Actual	Original	Adjusted	Actual	2018/19	2019/20	2021/22
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	130 917	162 795	190 607	175 241	117 890	120 993	100 278
Infrastructure: Road transport - Total	48 852	91 220	61 114	132 014	18 938	13 417	27 349
<i>Roads, pavements and bridges</i>	48 852	91 220	61 114	132 014	18 938	13 417	27 349
Infrastructure: Electricity – Total	37 233	21 904	27 404	27 002	19 821	21 303	11 487
<i>Transmission and reticulation</i>	37 233	21 904	27 404	27 002	19 821	21 303	11 487
Infrastructure: Water - Total	23 991	42 187	80 970	–	62 669	50 450	30 845
<i>Reticulation</i>	23 991	42 187	80 970	–	62 669	50 450	30 845
Infrastructure: Sanitation - Total	17 757	7 484	21 118	10 477	16 461	25 823	23 187
<i>Sewerage purification</i>	17 757	7 484	21 118	10 477	16 461	25 823	23 187
Infrastructure: Other - Total	3 084	–	–	–	–	10 000	7 410
<i>Waste Management</i>	3 084	–	–	–	–	10 000	7 410
<u>Community – Total</u>	39 969	50 952	13 651	5 748	63 500	20 000	26 970
<i>Sports fields and stadia</i>	9 747	10 951	3 650	3 625	12 000	10 000	16 969
<i>Community halls</i>	225						
<i>Fire, safety and emergency</i>				123	–	–	–
<i>Social rental housing</i>					4 000	10 000	10 000
<i>Other</i>	29 996	40 000	10 000	1 999	47 500	29 997	40 000
Total Capital Expenditure on new assets	170 886	213 747	204 258	175 241	181 390	140 993	127 248

Appendices

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

CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME*							
R '000							
Description	2016/17	2017/18			Planned Capital Expenditure		
	Actual	Original	Adjusted	Actual	2018/19	2019/20	2021/22
Capital expenditure by Asset Class							
<i>Infrastructure - Total</i>	29 800	-	-	-	25 000	67 000	60 845
Infrastructure: Road transport -Total	-	-	-	-	-	40 000	40 000
<i>Roads, pavements and bridges</i>	-	-	-	-	-	40 000	40 000
<i>Electricity - Total</i>	875	-	-	-	7 000	2 000	2 000
<i>Generations</i>	875	-	-	-	-	-	-
<i>Efficiency Demand Side</i>	-	-	-	-	7 000	2 000	2 000
<i>Water - Total</i>	6 820	-	-	-	-	15 000	8 849
<i>Reticulation</i>	6 820	-	-	-	-	15 000	8 849
<i>Sanitation - Total</i>	22 105	-	-	-	17 000	10 000	10 000
<i>Sewerage purification</i>	22 105	-	-	-	17 000	10 000	10 000
<i>Community – Total</i>	-	-	-	-	1 500	-	-
Swimming pools	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	29 800	-	-	-	25 500	67 000	60 849

Appendices

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2017/18

CAPITAL PROGRAMME BY PROJECT: 2017/18					
					R' 000
Capital Project	Original	Adjustment	Actual	Variance (Act – Adj.) %	Variance (Act - OB) %
WATER					
Water Supply Midvaal Endpoint to Jouberton and Alabama	72 250		59 812	100%	-21%
Alabama Bulk Water Supply 2 Ml Pressure Tower	8 720		7 110	100%	-23%
SANITATION / SEWERAGE					
Upgrade sewer net Khuma Proper NE	17 867		6 363	100%	-181%
ELECTRICITY					
Matlosana substation (INEP)	16 000		14 365	100%	-11%
ROADS AND STORM-WATER DRAINAGE					
Paving of taxi routes Jouberton Phase 4B	4 774		3 225	100%	-48%
Bulk Services	6 351		6 981	100%	9%
Central Activity Spine	44 479		33 899	100%	-31%

Appendices

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2017/18

CAPITAL PROGRAMME BY PROJECT BY WARD: 2017/18			R'000
Capital Projects	Ward(s) affected	Works completed (Yes/No)	
<i>Water</i>			
Water Supply Midvaal Endpoint to Jouberton and Alabama	3 to 5 and 8	No	
Alabama Bulk Water Supply 2 Ml Pressure Tower	3 to 5	No	
<i>Sanitation / Sewer</i>			
Upgrade sewer network installed and upgraded in Khuma Proper (North East)	34 and 35	No	
<i>Electricity</i>			
Matlosana substation (INEP)	1 to 39	No	
<i>Roads and storm-water drainage</i>			
Paving of taxi routes Jouberton Phase 4B	8; 10 and 37	No	
Bulk Services	8; 10 and 37	No	
Central Activity Spine	8; 10 and 37	No	

Appendices

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

ALL SCHOOLS ARE COVERED BY PUBLIC WORKS

Appendices

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

NOT APPLICABLE

Appendices

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: 2017/18				
Person in receipt of Loans */Grants* provided by the municipality	Organisation or	Nature of project	Conditions attached to funding	R' 000
Nadia Olivier	Klerksdorp High School	Matric Excellence Award	None	20 000
Janie Van Wyk	Klerksdorp High School	Matric Excellence Award	None	20 000
Mwezi Koni	Are-Fadimeheng	Matric Excellence Award	None	20 000
Atlerang Makokoe	Milner High School	Matric Excellence Award	None	20 000
Liezel Gouws	Wesvalia High School	Matric Excellence Award	None	20 000
Reinhardt Johannes Hitge	Wesvalia high School	Matric Excellence Award	None	20 000
Nkululeko Kumanda	Technical High School	Matric Excellence Award	None	20 000
Shirie Van Rooyen	Wesvalia High School	Matric Excellence Award	None	20 000
Mala Wilkiens	Klerksdorp High School	Matric Excellence Award	None	20 000
Melissa Evert	Schoonspruit High	Matric Excellence Award	None	20 000
Fourie Jolene	Orkney High School	Matric Excellence Award	None	15 000
Homole Gaalalwe	Thuto Tsebo Secondary	Matric Excellence Award	None	15 000
Mkalapi Avumile	Vaal Reefs Technical High School	Matric Excellence Award	None	15 000
Mahlong Kamogelo	Pinnacle High School	Matric Excellence Award	None	15 000
Mkwanazi Samson Tshepo	Borakanelo Secondary School	Matric Excellence Award	None	15 000
Raubenheimer Lize	Wesvalia High School	Matric Excellence Award	None	15 000
Moabi Vusimzi	Tsamma Secondary	Matric Excellence Award	None	15 000
Saleh Zahraa	Al-HUDA Muslim	Matric Excellence Award	None	15 000
Gangat Zayd	Alabama Secondary School	Matric Excellence Award	None	15 000
Seleke Maserame	Gaenthone Secondary School	Matric Excellence Award	None	15 000
Wanna Matshego	Letlhasedi Combined	Matric Excellence Award	None	15 000
Protorious Kgomotso	Letlhasedi Combined	Matric Excellence Award	None	15 000
Pauper funerals	Private	52 Funerals	None	137 103
* Loans/Grants - whether in cash or in kind				T R

List of Acronyms



Appendices

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
CoM	:	City of Matlosana
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 30 June 2018



City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

General Information

Nature of business and principal activities

To within its financial and administrative capacity :
-provide democratic and accountable government for the community of Matlosana;
-to ensure the provision of services to the community in a sustainable manner;-to promote social and economic development;
-to promote a safe and healthy environment; and
-to encourage the involvement of the community and community organisations in the matters of the municipality.
Legislation governing the operations of the municipality includes but are not limited to the following:-
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 Maetu Kgaile

Speaker Washington Ntozini

Councillors M.V Chinga (Chief Whip)
M.F Nthaba.
T.O Vilakazi.
T.G Khoza.
F.I Tagaree.
M.L Mojaki.
S.D Montoedi.
N.S Mendela.
N.A Matetoane.
P.F Mabeli.
S.J Daemane.

Accounting Officer T.S.R Nkumise.

Chief Finance Officer (CFO) M.K.G Ramorwesi.

Registered office Bram Fischer Street
Klerksdorp
2571

Business address Bram Fischer Street
Klerksdorp
2571

Postal address P.O. Box 99
Klerksdorp
2570

Bankers ABSA Bank Ltd
First National Bank
Investec Bank Limited
Nedbank Limited

Auditors Auditor General of South Africa

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Index

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

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Appendix A: Schedule of External loans	417

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)

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

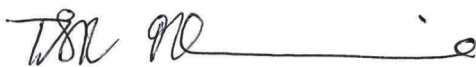
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal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

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2019 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements is still subject to audit.

The annual financial statements set out on pages 349 to 416, which have been prepared on the going concern basis, were approved by the accounting officer on 01 October 2018 and were signed on its behalf by:



Accounting Officer
TSR Nkumise

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Statement of Financial Position as at June 30, 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Assets			
Current Assets			
Inventories	8	45,468,334	38,057,066
Other financial assets	6	9,066,499	-
Receivables from exchange transactions	9	32,743,256	10,363,721
VAT receivable	11	97,668,650	43,137,827
Consumer debtors	12	358,590,205	285,321,220
Other receivables	7	26,987	24,987
Cash and cash equivalents	13	136,154,315	90,532,317
		679,718,246	467,437,138
Non-Current Assets			
Investment property	2	156,053,942	160,179,313
Property, plant and equipment	3	5,154,501,581	5,428,354,831
Intangible assets	4	648,654	4,578,555
Heritage assets	5	12,722,696	12,698,696
Other financial assets	6	23,099,799	30,059,029
Security Deposit paid to Eskom		15,000,002	15,000,002
Other receivables	7	84,415	112,477
Nature reserve - Wild stock		1,874,765	1,599,112
		5,363,985,854	5,652,582,015
Total Assets		6,043,704,100	6,120,019,153
Liabilities			
Current Liabilities			
Other financial liabilities	14	14,431,893	15,804,903
Payables from exchange transactions	17	904,850,933	706,816,316
Unspent conditional grants and receipts	15	27,770,139	8,586,956
Provisions	16	19,353,982	15,728,143
Consumer deposits		29,941,387	24,124,748
		996,348,334	771,061,066
Non-Current Liabilities			
Other financial liabilities	14	71,031,317	85,463,211
Provisions	16	423,017,406	412,163,698
		494,048,723	497,626,909
Total Liabilities		1,490,397,057	1,268,687,975
Net Assets		4,553,307,043	4,851,331,178
Accumulated surplus		4,553,307,043	4,851,331,178

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Revenue from exchange transactions			
Market Dues		17,749,965	16,616,277
Service charges	21	1,430,644,777	1,389,127,035
Rendering of services		3,169	13,541
Rental of facilities and equipment		5,096,871	5,137,430
Other income		12,653,595	7,107,165
Miscellaneous other revenue		246,300	8,339
Market Dues		10,743,585	10,717,594
Connections and Reconnections		2,235,249	1,753,619
Rental income		387,906	273,955
Insurance Fees		297,101	627,965
Recoveries		261,127	20,220,782
Other income		17,004,486	14,321,867
Donations		14,932,787	20,836,637
Interest received - investment	28	231,828,446	170,467,245
Total revenue from exchange transactions		1,744,085,364	1,657,229,451
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	20	294,054,715	265,941,408
Transfer revenue			
Government grants & subsidies	22	537,839,816	477,693,095
Levies		1,207,710	1,490,257
Fines, Penalties and Forfeits		11,246,582	10,505,354
Total revenue from non-exchange transactions		844,348,823	755,630,114
Total revenue	19	2,588,434,187	2,412,859,565
Expenditure			
Employee related costs	25	(579,462,120)	(530,451,714)
Remuneration of councillors	26	(33,181,840)	(28,398,076)
Depreciation and amortisation	29	(434,791,075)	(411,711,664)
Finance costs	30	(45,826,282)	(43,954,964)
Lease rentals on operating lease		(40,897,252)	(28,889,458)
Debt impairment	27	(617,011,527)	(543,458,552)
Repairs and maintenance		(86,920,198)	(68,240,419)
Bulk purchases	33	(754,262,620)	(775,219,428)
Contracted services	32	(39,175,016)	(35,801,781)
General expenses	24	(254,930,393)	(254,252,867)
Total expenditure		(2,886,458,323)	(2,720,378,923)
Operating deficit		(298,024,136)	(307,519,358)
Deficit for the year		(298,024,136)	(307,519,358)

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	5,216,448,822	5,216,448,822
Adjustments		
Correction of errors	(57,598,285)	(57,598,285)
Balance at July 1, 2016 as restated*	5,158,850,537	5,158,850,537
Changes in net assets		
Deficit for the year	(307,519,359)	(307,519,359)
Total changes	(307,519,359)	(307,519,359)
Balance at July 1, 2017	4,851,331,177	4,851,331,177
Changes in net assets		
Deficit for the year	(298,024,134)	(298,024,134)
Total changes	(298,024,134)	(298,024,134)
Balance at June 30, 2018	4,553,307,043	4,553,307,043
Note(s)		

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Cash Flow Statement

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,034,418,980	1,075,678,225
Grants		557,022,999	475,531,596
Interest income		231,828,446	170,467,245
Other receipts		55,189,992	84,229,101
		<u>1,878,460,417</u>	<u>1,805,906,167</u>
Payments			
Employee costs		(595,517,054)	(556,219,853)
Suppliers		(966,593,178)	(944,436,224)
Finance costs		(45,826,282)	(43,954,964)
Vat received (paid)		(54,530,823)	(28,150,134)
		<u>(1,662,467,337)</u>	<u>(1,572,761,175)</u>
Net cash flows from operating activities	34	<u>215,993,080</u>	<u>233,144,992</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(160,548,673)	(149,824,458)
Proceeds from sale of property, plant and equipment	3	2,297,125	-
Purchase of investment property	2	-	(225,000)
Proceeds from sale of investment property	2	-	3,997,088
Purchases of heritage assets	5	(24,000)	-
Net movement of financial assets		(2,107,269)	(2,366,707)
Increase in deposits paid to Eskom		-	(2)
Net cash flows from investing activities		<u>(160,382,817)</u>	<u>(148,419,079)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(15,804,904)	(14,561,640)
Movement in consumer deposits		5,816,639	(5,184,269)
Repayment of liability to National Treasury		-	(16,596)
Net cash flows from financing activities		<u>(9,988,265)</u>	<u>(19,762,505)</u>
Net increase/(decrease) in cash and cash equivalents		45,621,998	64,963,408
Cash and cash equivalents at the beginning of the year		90,532,317	25,568,909
Cash and cash equivalents at the end of the year	13	<u>136,154,315</u>	<u>90,532,317</u>

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Sale of goods	18,037,000	-	18,037,000	17,749,965	(287,035)	1. The projections for service charges was to a large extent ambitious and this was not realised. 2. The other cause for the variance was the closure of mines, industrial sites and the use of solar power as an alternative energy source by businesses.
Service charges	1,667,029,854	-	1,667,029,854	1,430,644,777	(236,385,077)	
Rendering of services	-	-	-	3,169	3,169	The donations are voluntary and therefore cannot be accurately be budgeted for unless there is a commitment to donate before the budget is approved.
Rental of facilities and equipment	6,302,040	-	6,302,040	5,096,871	(1,205,169)	
Licences and permits	2,784,603	-	2,784,603	12,653,595	9,868,992	
Miscellaneous other revenue	221,554	-	221,554	246,300	24,746	
Commissions received	10,435,247	-	10,435,247	10,743,585	308,338	
Royalties received	1,950,000	-	1,950,000	2,235,249	285,249	
Rental income	355,000	-	355,000	387,906	32,906	
Discount received	591,577	-	591,577	297,101	(294,476)	
Recoveries	402,653	-	402,653	261,127	(141,526)	
Other income	26,854,293	-	26,854,293	17,004,486	(9,849,807)	
Donations Received	-	-	-	14,932,787	14,932,787	

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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						
Interest received - investment	164,384,346	-	164,384,346	231,828,446	67,444,100	An amount of R10 558 115 is interest on investment which is due to grants receipts invested for a longer period than anticipated due to late procurement of the contractors. The interest on debtors is due to growth of the debtors book.
Total revenue from exchange transactions	1,899,348,167	-	1,899,348,167	1,744,085,364	(155,262,803)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	378,836,528	-	378,836,528	294,054,715	(84,781,813)	The rebates were not adequately budgeted for and this led to the large variance.
Transfer revenue						
Government grants & subsidies	364,420,050	-	558,678,580	537,839,816	(20,838,764)	The budget only consists of the operational grants and not capital grants.
Levies	1,699,246	-	1,699,246	1,207,710	(491,536)	
Fines	7,398,596	-	7,398,596	11,246,582	3,847,986	
Total revenue from non-exchange transactions	752,354,420	-	946,612,950	844,348,823	(102,264,127)	
Total revenue	2,651,702,587	-	2,845,961,117	2,588,434,187	(257,526,930)	
Expenditure						
Personnel	(595,068,317)	3,610,317	(591,458,000)	(579,462,120)	11,995,880	The difference is due to resignations and retirements of officials and vacancies that were budgeted for but not filled.
Remuneration of councillors	(31,657,489)	-	(31,657,489)	(33,181,840)	(1,524,351)	

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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						
Depreciation and amortisation	(492,000,000)	39,320	(491,960,680)	(434,791,075)	57,169,605	The budgeted amount was not accurately projected and that's the primary cause for the variance.
Finance costs	(11,000,000)	4,476	(10,995,524)	(45,826,282)	(34,830,758)	The late payments of Department of Transport and Licensing, Midvaal and Eskom resulted in more interest being charged to the municipality.
Lease rentals on operating lease	(46,434,077)	-	(46,434,077)	(40,897,252)	5,536,825	The municipality did not collect as anticipated due to current economic conditions, increase in unemployment rate and high rate of retrenchments from the mines, this has resulted in the increase of debtors book.
Bad debts written off	(462,620,831)	-	(462,620,831)	(617,011,527)	(154,390,696)	
Repairs and maintenance	(106,789,359)	23,550	(106,765,809)	(86,920,198)	19,845,611	The low collection of revenue impacted on the overall spending as anticipated.
Bulk purchases	(837,563,331)	-	(837,563,331)	(754,262,620)	83,300,711	Low growth of town and reduced consumption due to closing of business and other businesses opting for solar resulted in lower consumption of electricity.
Contracted Services	(48,250,824)	-	(48,250,824)	(39,175,016)	9,075,808	1. Low turnout of residents to register as indigents and implementation of cost of containment measures. 2. The low collection of revenue also impacted on the planned expenditure.
General Expenses	(341,562,077)	(3,677,663)	(345,239,740)	(254,930,393)	90,309,347	

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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						
Total expenditure	(2,972,946,305)		- (2,972,946,305)	(2,886,458,323)	86,487,982	
Deficit before taxation	(321,243,718)		- (126,985,188)	(298,024,136)	23,219,582	
Deficit for the year from continuing operations	(321,243,718)		- (321,243,718)	(298,024,136)	23,219,582	
Capital Expenditure	213,746,949	9,488,519	(204,258,430)	(160,308,593)	43,949,837	The municipality received additional funding for the MIG and INEP grants.
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(534,990,667)	9,488,519	(525,502,148)	(458,332,729)	67,169,419	

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

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 is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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 is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the 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 and Community Facilities	5 to 60 years
Furniture and fixtures	4 to 15 years
Infrastructure	
• Roads and paving	5 to 80 years
• Electricity	5 to 80 years
• Airports	5 to 80 years
• Wastewater network	5 to 80 years
• Water	5 to 80 years
Plant and equipment	4 to 20 years
Vehicles	4 to 20 years

Accounting Policies

1.6 Property, plant and equipment (continued)

Emergency equipment	4 to 20 years
Office equipment	4 to 10 years
Library Books	5 to 10 years

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 an 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 assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises 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 of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of cash-generating assets

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

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 46.

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.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

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 remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.20 Investment income

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

1.21 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;

Accounting Policies

1.22 Unauthorised expenditure (continued)

- 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.

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.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Accounting Policies

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.

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 are not involved in a guaranteed benefit pension scheme. The above schemes are only based on guaranteed contributions from the side of the employer.

1.33 Going concern

These annual financial statements have been prepared on a going concern basis.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Accounting Policies

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.

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.

- GRAP 18 Segment Reporting.
- GRAP 105 Transfers between entities under common control.
- GRAP 106 Transfers between entities not under common control.
- GRAP 107 Mergers.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

2018

2017

2. Investment property

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	156,053,942	.	156,053,942	160,179,313	.	160,179,313

Reconciliation of investment property - 2018

	Opening balance	Additions	Disposals	Transfers	Total
Investment property	160,179,313	240,000	(3,359,323)	(1,006,048)	156,053,942

Reconciliation of investment property - 2017

	Opening balance	Additions	Disposals	Total
Investment property	167,258,011	225,000	(7,303,698)	160,179,313

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 June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	107,267,973	-	107,267,973	113,870,736	-	113,870,736
Buildings	474,737,404	(203,021,221)	271,716,183	473,256,237	(179,188,402)	294,067,835
Infrastructure	10,433,433,786	(6,219,302,344)	4,214,131,442	10,278,288,029	(5,882,971,244)	4,395,316,785
Community	1,012,129,442	(501,529,696)	510,599,746	1,015,259,994	(445,336,826)	569,923,168
Other property, plant and equipment	149,037,243	(98,251,006)	50,786,237	149,465,726	(94,289,419)	55,176,307
Total	12,176,605,848	(7,022,104,267)	5,154,501,581	12,030,140,722	(6,601,785,891)	5,428,354,831

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation and Impairment	Total
Land	113,870,736	-	(6,680,848)	78,085	-	-	-	107,267,973
Buildings	294,067,835	1,481,167	-	-	-	-	(23,832,819)	271,716,183
Infrastructure	4,395,316,784	165,460,351	(5,556,953)	-	-	-	(341,088,740)	4,214,131,442
Community	569,923,168	5,175,297	(4,931,645)	-	-	-	(59,567,074)	510,599,746
Other property, plant and equipment	55,176,308	3,124,565	(1,142,092)	-	-	-	(6,372,543)	50,786,238
Total	5,428,354,831	175,241,380	(18,311,538)	78,085	-	-	(430,861,176)	5,154,501,582

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Total
Land	101,324,794	20,362,345	(7,816,403)	-	-	-	-	113,870,736
Buildings	311,707,187	6,025,189	-	-	-	-	(23,664,541)	294,067,835
Infrastructure	4,609,661,466	130,917,127	(20,854,199)	-	-	-	(324,407,610)	4,395,316,784
Community	614,941,158	9,747,018	-	-	-	-	(54,765,008)	569,923,168
Other property, plant and equipment	61,115,463	3,609,416	(674,066)	-	-	-	(8,874,505)	55,176,308
	5,698,750,068	170,661,095	(29,344,668)	-	-	-	(411,711,664)	5,428,354,831

Reconciliation of Work-in-Progress 2018

	Included within Infrastructure	Included within Community	Included within Buildings PPE	Total
Opening balance	114,916,428	22,618,264	4,043,907	141,578,599
Additions/capital expenditure	142,607,340	3,180,092	-	145,787,432
Transferred to completed items	(12,857,556)	(14,395,334)	(4,043,907)	(31,296,797)
	244,666,212	11,403,022	-	256,069,234

Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Included within Community	Included within Buildings PPE	Total
Opening balance	98,973,242	13,335,749	-	112,308,991
Additions/capital expenditure	58,900,199	9,282,515	4,043,907	72,226,621
Transferred to completed items	(42,957,013)	-	-	(42,957,013)
	114,916,428	22,618,264	4,043,907	141,578,599

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

4. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4,578,555	(3,929,901)	648,654	4,578,555	.	4,578,555

Reconciliation of intangible assets - 2018

	Opening balance	Impairment loss	Total
Computer software, other	4,578,555	(3,929,901)	648,654

Reconciliation of intangible assets - 2017

	Opening balance	Total
Computer software, other	4,578,555	4,578,555

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

5. Heritage assets

	2018			2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Museum collectable, Monuments and Heritage sites	12,722,696		12,722,696	12,698,696		12,698,696

Reconciliation of heritage assets 2018

	Opening balance	Additions	Total
Museum collectable, Monuments and Heritage sites	12,698,696	24,000	12,722,696

Reconciliation of heritage assets 2017

	Opening balance	Total
Museum collectable, Monuments and Heritage sites	12,698,696	12,698,696

Heritage assets which fair values cannot be reliably measured

Heritage Assets

The following heritage assets cannot be reliably measured: 15 Grave stones/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.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
6. Other financial assets		
At amortised cost		
Investments	32,166,298	30,059,029
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	23,099,799	30,059,029
Current assets		
At amortised cost	9,066,499	-
Financial assets at amortised cost		
Nominal value of Investments		
Nedcor FK183349	23,099,799	21,697,304
The Nedcor investment is encumbered by a pledge of R3 700 000.		
Sanlam Capital guaranteed fund - 040710409X0	568,102	524,109
Sanlam Capital guaranteed fund - 040644725X0	8,498,397	7,837,616
	32,166,298	30,059,029
7. Other receivables		
Loan to Klerksdorp Rolbalklub		
Short term portion of loan	26,987	24,987
Long term portion of loan	84,415	112,987
	111,402	137,974
An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies		
8. Inventories		
Consumable stores	42,358,195	35,081,646
Water	2,665,210	2,547,426
Museum stores - at authorised value	83,196	77,566
Unsold properties held for resale at council resolution or municipal valuation	361,733	350,428
	45,468,334	38,057,066
9. Receivables from exchange transactions		
Deposits	818,117	818,117
Receivables	26,415,780	13,986,802
Market	10,221,337	-
Housing and housing rentals	1,307,794	1,318,235
Impairment of other receivables	(6,019,769)	(5,759,435)
	32,743,259	10,363,719
Reconciliation of provision for impairment of trade and other receivables		

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
9. Receivables from exchange transactions (continued)		
Opening balance	(5,759,435)	-
Provision for impairment	(260,334)	(5,759,435)
	(6,019,769)	(5,759,435)
10. Receivables from non-exchange transactions		
Fines	31,847,049	23,037,643
Impairment of fines	(31,847,049)	(23,037,643)
	-	-
Receivables from non-exchange transactions impaired		
As of June 30, 2018, other receivables from non-exchange transactions of R31,847,049 (2017: R23,037,643) were impaired and provided for.		
The amount of the provision was R(31,847,049) as of June 30, 2018 (2017: R23,037,643).		
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(23,037,643)	(14,966,780)
Provision for impairment additions	(8,809,406)	(8,070,863)
	(31,847,049)	(23,037,643)
11. VAT receivable		
VAT	97,668,650	43,137,827
12. Consumer debtors		
Gross balances		
Rates	193,366,909	155,214,166
Electricity	324,696,294	378,569,682
Water	993,771,795	936,443,083
Sewerage	164,486,795	181,820,449
Refuse	278,217,633	274,528,683
Interest on overdue accounts	687,788,374	647,024,761
Other	289,940,723	305,852,204
	2,932,268,523	2,879,453,028
Less: Allowance for impairment		
Rates	(175,195,770)	(144,371,236)
Electricity	(247,510,112)	(301,502,451)
Water	(864,020,368)	(837,477,556)
Sewerage	(149,029,587)	(169,118,860)
Refuse	(252,072,872)	(255,350,695)
Interest on overdue accounts	(623,155,294)	(601,824,990)
Other	(262,694,316)	(284,486,021)
	(2,573,678,319)	(2,594,131,809)

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
12. Consumer debtors (continued)		
Net balance		
Rates	18,171,140	10,842,930
Electricity	77,186,182	77,067,231
Water	129,751,426	98,965,527
Sewerage	15,457,209	12,701,589
Refuse	26,144,761	19,177,989
Interest on overdue accounts	64,633,080	45,199,771
Other	27,246,407	21,366,183
	358,590,205	285,321,220
Rates		
Current (0 -30 days)	21,612,275	18,631,027
31 - 60 days	9,019,372	5,511,977
61 - 90 days	6,300,560	4,131,023
91+ days	156,434,702	126,940,138
Provision for bad debts	(175,195,769)	(144,371,235)
	18,171,140	10,842,930
Electricity		
Current (0 -30 days)	97,514,017	96,484,136
31 - 60 days	15,756,745	14,198,462
61 - 90 days	11,515,535	7,868,852
91 + days	199,909,997	260,018,232
Provision for bad debts	(247,510,112)	(301,502,451)
	77,186,182	77,067,231
Water		
Current (0 -30 days)	80,599,027	68,894,820
31 - 60 days	33,022,635	25,674,896
61 - 90 days	26,330,963	24,030,915
91 + days	853,819,169	817,842,452
Provision for bad debts	(864,020,368)	(837,477,556)
	129,751,426	98,965,527
Sewerage		
Current (0 -30 days)	8,403,236	6,763,590
31 - 60 days	4,706,873	4,018,219
61 - 90 days	4,016,928	4,218,100
91 + days	147,359,759	166,820,540
Provision for bad debts	(149,029,587)	(169,118,860)
	15,457,209	12,701,589
Refuse		
Current (0 -30 days)	9,759,750	8,901,426
31 - 60 days	6,964,294	6,171,569
61 - 90 days	6,532,498	7,076,321
91 + days	254,961,091	252,379,368
Provision for bad debts	(252,072,872)	(255,350,695)
	26,144,761	19,177,989

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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Figures in Rand	2018	2017
12. Consumer debtors (continued)		
Interest on overdue accounts		
Current (0 -30 days)	22,950,911	17,217,717
31 - 60 days	20,136,173	16,791,198
61 - 90 days	20,362,870	18,817,904
91 + days	624,339,050	594,197,942
Provisions for bad debts	(623,155,924)	(601,824,990)
	64,633,080	45,199,771
Other		
Current (0 -30 days)	21,917,978	13,561,713
31 - 60 days	10,170,180	7,673,807
61 - 90 days	7,512,253	6,953,720
91 + days	250,340,312	277,662,964
Provision for bad debts	(262,694,316)	(284,486,021)
	27,246,407	21,366,183
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2,594,131,809)	(2,131,800,316)
Contributions to allowance	(663,481,377)	(568,164,833)
Debt impairment written off against allowance	195,707,900	105,833,340
Reversal of allowance	488,226,967	-
	(2,573,678,319)	(2,594,131,809)

Credit quality of consumer debtors

In determining the recoverability of a receivable, the City considers any change in the credit quality of the receivable from the date on which the credit was initially granted, up to the reporting date. The concentration of credit risk is limited but take into consideration the repayments trends and collections rate, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

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
Bank balances	30,191,892	33,019,021
Short-term deposits	105,893,922	57,444,797
	136,154,314	90,532,318

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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13. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	June 30, 2018	30 June 2017	June 30, 2016	June 30, 2018	30 June 2017	June 30, 2016
ABSA Bank - cheque account - 4060008684	332,392	339,485	321,037	225,880	260,942	234,245
ABSA Bank - cheque account - 01000100176	1,112,405	26,404,536	16,603,440	17,545,389	31,863,888	11,389,618
ABSA Bank - cheque account - 950164379 (Council water)	693,861	1,472,047	154,406	12,180,244	653,812	463,145
ABSA Bank - cheque account - 950000090 (Market)	2,151,346	864,395	926,883	92,062	92,062	92,062
ABSA Bank - 407826177 - Call Account	37,588,880	400,026	165,330	37,982,810	400,026	165,330
ABSA Bank - 4081494682 - Call	22,930,572	18,704,344	1,749,359	22,930,572	18,704,344	1,749,359
ABSA Bank - 4086111223 - Call Account	25,041,583	24,827,783	643,442	25,165,152	24,833,009	643,442
ABSA Bank - 4073033854 - Call Account	12,046	1,741,484	424,509	12,078	1,741,484	424,509
ABSA Bank - 9056825047 - Call Account	8,818,737	46,068	43,788	8,860,684	46,068	43,788
ABSA Bank - 9074204063 - Call Account	174,519	172,478	169,646	174,645	172,478	169,646
ABSA Bank - 9090072264 - Call Account	4,693,510	5,865,914	5,582,731	4,704,312	5,865,914	5,582,731
Investec Bank - 30000123771 - Call Account	5,958,203	5,584,257	5,218,153	5,958,203	5,584,257	5,218,153
FNB - 71037411669 - Collateral	42,797	39,748	36,975	42,797	34,778	36,975
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
ABSA Bank - call account - 4071085841 (Housing)	143,968	139,558	148,713	148,317	148,317	148,317
Total	109,708,819	86,671,148	32,253,791	136,085,583	90,463,817	26,426,699

14. Other financial liabilities

At amortised cost

Shiva Uranium 32,409,664 32,409,664

The loan is interest free and repayable by selling portable water to the company at R0.50 per kilolitre discount to the regular price of potable water pumped.

Annuity loans 53,053,546 68,858,450

Refer to appendix A for more detail on long-term liabilities.

85,463,210 101,268,114

Total other financial liabilities

85,463,210 101,268,114

Non-current liabilities

At amortised cost 71,031,317 85,463,211

Current liabilities

At amortised cost 14,431,893 15,804,903

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
15. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
MIG	20,197,218	166,085
INEP	183,948	1,068,976
FMG	-	6,010
DWAF	276,464	276,464
EPWP	140,567	2,466
Fire Grant	131,963	255,183
Library grant	1,795,151	1,781,810
NDPG Grant	43,016	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
	27,770,139	8,586,956

See note 22 for reconciliation of grants from National or Provincial Government.

City of Matlosana

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Notes to the Annual Financial Statements

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16. Provisions

Reconciliation of provisions - 2018

	Opening Balance	Additions	Total
Environmental rehabilitation	110,498,252	5,781,679	116,279,931
Continuous medical aid contribution	262,713,356	2,587,992	265,301,348
Long service awards	54,680,233	6,109,876	60,790,109
	427,891,841	14,479,547	442,371,388

Reconciliation of provisions - 2017

	Opening Balance	Additions	Reduction due to re-measurement or settlement without cost to entity	Reduction due to re-measurement or settlement without cost to entity	Total
Environmental rehabilitation	105,015,030	5,483,222	-	-	110,498,252
Continuous medical aid contribution	273,032,107	-	-	(10,318,751)	262,713,356
Long service awards	52,050,296	2,629,937	-	-	54,680,233
	430,097,433	8,113,159	-	(10,318,751)	427,891,841

Non-current liabilities	423,017,406	412,163,698
Current liabilities	19,353,982	15,728,143
	442,371,388	427,891,841

There are uncertainties about timing of the outflows of economic benefits as a result of the provisions above.

There are no expected reimbursements in respect of the provisions.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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16. Provisions (continued)

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur rehabilitation costs to restore the site at the end of its useful life. Provision has been made for the net present value of this cost.

Assumption used

- The discount rate used of 6.24% is the weighted average cost of capital (WACC) calculated for both the Klerksdorp and Hartbeesfontein landfill sites.
- The annual inflation rate : 4.08%
- The scheduled dates of total closure and rehabilitation are anticipated to be between 2025 and 2028

Employee benefit cost provision

	Year ending 30/06/2019	2018	2017
Opening defined benefit obligation	265,301,348	262,713,356	273,032,107
Plus Service Cost	10,145,842	10,659,447	11,878,202
Plus Interest / Finance Cost	24,626,564	24,597,964	25,355,841
Actuarial (Gain)/Loss	-	(21,591,657)	(37,321,725)
Expected Employer Benefit Payments	(11,871,426)	(11,077,762)	(10,231,069)
	288,202,328	265,301,348	262,713,356

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 : 9.56% (2017 :9.49%)

Health care cost inflation rate: 7.86% (2017 : 7.35%)

Net effective discount rate: 1.58% (2017 : 1.99%)

Take-up by retired employees : 100% (2017 : 100%)

Retirement age : 65 (2017 : 65)

Proportion assumed married at retirement: 45% (2017: 45%)

Proportion of eligible current non-member employees joining the scheme by retirement 25% (2017: 25%)

Pre retirement mortality : SA85-90 Light (2017 : SA85-90 Light)

Post retirement mortality : PA[90] (2017 : 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 16% higher than that shown.
(R millions)

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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16. Provisions (continued)

Assumption	Change	In-service members	Continuation members	Total	% change
Central assumptions		136.322	128.979	265.301	
Health care inflation	+1%	167.157	140.499	307.656	16%
	-1%	112.047	118.876	230.922	-13%
Discount rate	+1%	112.661	119.145	231.806	-13%
	-1%	166.793	140.370	307.162	16%
Post-retirement mortality	-1 yr	141.172	134.208	275.381	4%
Average retirement age	-1 yr	149.512	128.979	278.492	5%
Continuation of membership at retirement	-10%	118.333	128.979	247.313	-7%

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 2018.

(R millions)

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% change
Central assumptions		10,659,400	24,598,000	35,257,400	
Health care inflation	+1%	13,424,900	28,740,900	42,165,800	20%
	-1%	8,535,600	21,251,900	29,787,500	-16%
Discount rate	+1%	8,659,500	23,555,000	32,214,500	-9%
	-1%	13,282,200	25,709,000	38,991,200	11%
Post-retirement mortality	-1 yr	11,052,400	25,579,600	36,632,000	4%
Average retirement age	-1 yr	11,494,400	25,830,700	37,325,100	6%
Continuation of membership at retirement	-10%	9,252,400	22,874,900	32,127,300	-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	30/06/2016	30/06/2017	30/06/2018
Accrued liability	273.032	262.713	265.301
Fair value of plan asset	0.000	0.000	0.000
Surplus / (Deficit)	(273.032)	(262.713)	(265.301)

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.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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16. Provisions (continued)

History of experience adjustments: Gains and Losses (R millions)

Experience adjustments	Year ending 30/06/2017	Year ending 30/06/2018
Liabilities: (Gain) / Loss	(4.244)	(4.015)
Assets: Gain / (Loss)	0.000	0.000

Provision for Long Service Awards

	Year ending 30/06/2019	2018	2017
Balance at beginning of year	60,790,109	54,680,233	52,050,287
Current-service cost	5,022,754	4,714,850	4,715,259
Interest cost	4,912,835	4,465,584	4,293,517
Benefits Paid/ Expected benefits	(7,482,556)	(4,650,381)	(4,511,190)
Actuarial Loss / (Gain)	-	1,579,823	(1,867,640)
	63,243,142	60,790,109	54,680,233

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,

Principal assumptions used as at the balance sheet date

Discount Rate: 8.60% (2017: 8.52%)

Cost Inflation Rate: 6.20% (2017: 6.34%)

Net Effective Discount Rate: 2.26% (2017 :2.05%)

Expected Retirement Age: 65 (2017:65)

Mortality during employment: SA85-90 Light (2017 : 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)

Assumption	Change	Liability	% change
Central assumptions		60.790	
General earnings inflation	+1%	64.882	7%
	-1%	57.099	-6%
Discount rate	+1%	56.950	-6%
	-1%	65.124	7%
Average retirement age	-2 yrs	55.539	-9%
	+2 yrs	66.210	9%
Withdrawal rates	-50%	67.811	12%

The table below summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2018.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand

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2017

16. Provisions (continued)

Assumption	Change	Current-Svc. Cost	Interest Cost	Total	% change
Central assumptions		4,714,900	4,465,600	9,180,500	
General earnings	+1%	5,123,000	4,792,000	9,915,000	8%
inflation	-1%	4,352,000	4,171,500	8,523,500	-7%
Discount rate	+1%	4,380,900	4,648,700	9,029,600	-2%
	-1%	5,095,900	4,246,000	9,341,900	2%
Average retirement age	-2 yrs	4,335,900	4,054,500	8,390,400	-9%
	+2 yrs	5,066,700	4,881,300	9,948,000	8%
Withdrawal rates	-50%	5,650,600	5,044,100	10,694,700	16%

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 periods.

Liability history	30/06/2014	30/06/2015	30/06/2016	30/06/2017	30/06/2018
Accrued liability	46,222,438	50,676,361	52,050,287	54,680,233	60,790,109
Plan asset	0	0	0	0	0
Surplus / (Deficit)	(46,222,438)	(50,676,361)	(52,050,287)	(54,680,233)	(60,790,109)

	Year ending 30/06/2015	Year ending 30/06/2016	Year ending 30/06/2017	Year ending 30/06/2018
Liabilities: (Gain) / Loss	1,926,986	(1,279,435)	1,255,495	2,467,601
Assets: Gain / (Loss)	0	0	0	0

17. Payables from exchange transactions

Trade payables	725,774,642	558,625,656
Payments received in advance	50,203,353	42,863,475
Accrued leave pay	83,361,810	74,381,920
Long Service Leave	4,276,338	4,827,190
Sundry creditors	41,084,403	25,967,688
Housing : Absa bank account	148,317	148,317
Other Creditors	2,070	2,070
	904,850,933	706,816,316

18. Consumer deposits

Electricity and water	29,941,387	24,124,748
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City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
19. Revenue		
Sale of goods	17,749,965	16,616,277
Rendering of services	3,169	13,541
Service charges	1,430,644,777	1,389,127,035
Rental of facilities and equipment	5,096,871	5,137,430
Licences and permits	12,653,595	7,107,165
Miscellaneous other revenue	246,300	8,339
Property rates	294,054,715	265,941,408
Government grants & subsidies	537,839,816	477,693,095
Levies	1,207,710	1,490,257
Fines, Penalties and Forfeits	11,246,582	10,505,354
	2,310,743,500	2,173,639,901

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	17,749,965	16,616,277
Service charges	1,430,644,777	1,389,127,035
Rendering of services	3,169	13,541
Rental of facilities and equipment	5,096,871	5,137,430
Licences and permits	12,653,595	7,107,165
Miscellaneous other revenue	246,300	8,339
Commissions received	10,743,585	10,717,594
Recoveries	261,127	20,220,782
	1,477,399,389	1,448,948,163

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	294,054,715	265,941,408
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Transfer revenue

Government grants & subsidies	537,839,816	477,693,095
Levies	1,207,710	1,490,257
Fines, Penalties and Forfeits	11,246,582	10,505,354
	844,348,823	755,630,114

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
20. Property rates		
Rates received		
Residential	285,066,730	262,640,107
State	19,205,915	9,679,352
Indigent	(10,255,985)	(6,416,106)
Sundry debtors	38,055	38,055
	294,054,715	265,941,408

Valuations

Residential	16,405,784,527	15,535,909,231
State	755,388,200	934,669,050
Municipal	878,951,293	625,832,325
Agricultural	1,489,815,300	2,057,631,936
Business	4,911,868,544	4,701,022,117
	24,441,807,864	23,855,064,659

Valuations on land and buildings are performed every 4 years however council sought an extension to 7 years. The last general valuation came into effect on 1 July 2014. The valuations were done by DDP Valuers on behalf of the Municipality.

The new general valuation will be implemented on 01 July 2021.

21. Service charges

Sale of electricity	701,219,439	699,088,395
Sale of water	510,685,223	465,049,360
Sewerage and sanitation charges	98,497,156	98,707,056
Refuse removal	120,242,960	126,282,224
	1,430,644,778	1,389,127,035

22. Government grants and subsidies

Operating grants

Equitable share	354,377,071	342,855,000
National: Expanded Public Works Program Grant (EPWP)	2,107,899	1,653,277
Financial Management Grant (FMG)	2,145,000	1,805,060
Library Grant	1,186,658	950,945
MSIG	-	16,596
Museum Grant	-	250,000
	359,816,628	347,530,878

Capital grants

Municipal Infrastructure Grant (MIG)	108,795,860	83,195,916
Integrated National Electrification Programme Grant (INEP)	20,363,974	11,669,452
Neighbourhood Development Partnership Grant (NDPG)	48,740,134	35,296,850
Fire Grant	123,220	-
	178,023,188	130,162,218
	537,839,816	477,693,096

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 (2017: R390), which is funded from the grant.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

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22. Government grants and subsidies (continued)

MIG

Balance unspent at beginning of year	166,085	-
Current-year receipts	130,041,000	83,362,000
Conditions met - transferred to revenue	(109,843,782)	(83,195,915)
Roll over denied	(166,085)	-
	20,197,218	166,085

Conditions still to be met - remain liabilities (see note 15)

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor house holds, micro enterprise and social institutions servicing poor communities.

NERSA

Balance unspent at beginning of year	1,068,976	1,938,428
Current-year receipts	19,500,000	10,800,000
Conditions met - transferred to revenue	(19,316,052)	(11,669,452)
Roll over denied	(1,068,976)	-
	183,948	1,068,976

Conditions still to be met - remain liabilities (see note 15)

The purpose of the grant it to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.

FMG

Balance unspent at beginning of year	6,010	1,070
Current-year receipts	2,145,000	1,810,000
Conditions met - transferred to revenue	(2,145,000)	(1,805,060)
Roll over denied	(6,010)	-
	-	6,010

Conditions still to be met - remain liabilities (see note 15)

The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the municipal finance management act.

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)

The purpose of the grant is to provide water to support economical, social and environmental sectors

MSIG

Balance unspent at beginning of year	-	130,526
Roll over denied	-	(130,526)
	-	-

Conditions still to be met - remain liabilities (see note 15)

City of Matlosana

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22. Government grants and subsidies (continued)

The purpose of this grant is to assist municipalities to perform their functions and stabilize institutional and governance systems as required in the municipal systems Act and related local government legislation.

EPWP

Balance unspent at beginning of year	2,466	1,512,217
Current-year receipts	2,246,000	1,656,000
Conditions met - transferred to revenue	(2,107,899)	(1,653,277)
Roll over denied	-	(1,512,474)
	140,567	2,466

Conditions still to be met - remain liabilities (see note 15)

The purpose of the grant is to incentivize municipalities to expand work creation efforts through the use of labour intensive delivery methods in the certain identified focus areas in compliance with the EPWP guidelines.

Fire

Balance unspent at beginning of year	255,183	255,183
Conditions met - transferred to revenue	(123,220)	-
	131,963	255,183

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to support projects that enhance the safety of the public and firefighters from fire and related hazards.

Library

Balance unspent at beginning of year	1,781,810	1,632,754
Current-year receipts	1,200,000	1,100,000
Conditions met - transferred to revenue	(1,186,659)	(950,944)
	1,795,151	1,781,810

Conditions still to be met - remain liabilities (see note 15).

The purpose to transform urban and rural community library infrastructure, facilities and services through a recapitalized programme at the provincial level in support of local government and national initiatives.

NDPG Grant

Balance unspent at beginning of year	28,150	-
Current-year receipts	48,755,000	35,325,000
Conditions met - transferred to revenue	(48,740,134)	(35,296,850)
	43,016	28,150

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to plan, catalyze and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation , that will improve the quality of lie , and access to opportunities for residents in South Africa under served neighbourhoods, generally townships.

City of Matlosana

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22. Government grants and subsidies (continued)

District MEYMP

Balance unspent at beginning of year	213,176	213,176
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Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants.

Disaster Assessment Management Grant

Balance unspent at beginning of year	200,000	200,000
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Conditions still to be met - remain liabilities (see note 15).

The purpose the grant is to ensure that sufficient funds are available in the event of disasters.

District Grant

Balance unspent at beginning of year	4,581,284	4,581,284
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Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants.

Museum Grant

Balance unspent at beginning of year	7,352	7,352
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Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to enable museums to focus on excellence in their programs and operations and to contribute to the understanding of the world and our place in it - our past, our present, and our future

23. Other income

Commissions received	10,743,585	10,717,594
Royalties received	2,235,249	1,753,619
Rental income - third party	387,906	273,955
Discount received	297,101	627,965
Recoveries	261,127	698,348
Gain on movement of provisions	-	19,522,434
Other miscellaneous income	17,004,486	14,321,867
Donation of community hall	14,932,787	20,836,637
	45,862,241	68,752,419

City of Matlosana

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Figures in Rand	2018	2017
24. General expenses		
Advertising	810,351	1,309,196
Alternative energy	13,225,645	6,639,731
Auditors remuneration	3,537,187	4,057,121
Bank charges	8,342,082	5,608,938
Chemicals	485,362	1,109,021
Cleaning	217,182	-
Commission paid	15,905,992	15,331,710
Community development and training	281,034	395,825
Conferences and seminars	1,102,146	1,130,812
Consumables	1,748,890	1,355,864
Discount allowed	751,772	1,103,318
Entertainment	316,760	180,497
Fines and penalties	-	803,500
Gifts	53,126	-
Hire	9,151,751	4,652,798
Indigent costs	2,036,642	1,430,903
Installation cost	22,829,668	13,102,319
Insurance	8,381,878	4,503,730
Landfill site provision	5,781,679	9,401,666
Legal fees	17,984,010	14,105,403
Loss on disposal of assets	21,604,918	32,651,279
Magazines, books and periodicals	100,926	78,702
Marketing	268,116	215,235
Medical expenses	1,181	133,148
Meter readings	8,344,793	7,816,895
Motor vehicle expenses	41,202,715	46,653,180
Other miscellaneous	28,208,720	36,450,638
Pest control	828,000	70,000
Postage and courier	4,496,761	3,831,047
Printing and stationery	2,382,571	3,161,453
Professional Fees	11,032,727	12,492,667
Promotions	122,547	-
Promotions and sponsorships	78,700	134,124
Protective clothing	2,659,872	4,872,144
Refuse	6,667,061	6,411,245
Revenue enhancement	99,482	236,669
Royalties and license fees	3,815	5,375
Stock write- offs	1,574,739	591,767
Subscriptions and membership fees	2,449,547	2,971,381
Telephone and fax	6,251,237	5,707,910
Title deed search fees	377,678	375,759
Tracing fees	-	1,053
Training	2,895,889	2,735,404
Transport and freight	-	12,221
Travel - local	335,245	376,070
Valuation fees	-	45,150
	254,930,397	254,252,868

City of Matlosana

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Figures in Rand	2018	2017
25. Employee related costs		
Basic	352,403,141	332,623,196
Medical aid - company contributions	44,750,181	42,198,994
UIF	3,425,013	3,241,851
WCA	2,572,648	2,786,575
SDL	4,764,013	4,349,515
Leave pay provision charge	8,429,038	4,213,397
Defined contribution plans	2,587,992	-
Travel, motor car, accommodation, subsistence and other allowances	10,033,658	8,692,636
Overtime payments	39,481,305	31,423,203
Long-service awards	6,109,876	2,629,937
13th Cheques	27,284,169	25,542,139
Housing benefits and allowances	2,254,026	2,162,573
Group insurance	1,498,357	1,270,586
Pension fund	69,124,734	65,177,038
Redemption of leave	4,080,353	3,014,501
Phone allowance	638,869	601,330
Other payments	-	504,694
Share-based payment	24,747	19,549
	579,462,120	530,451,714

Remuneration of Municipal Manager

Annual Remuneration	1,017,666	394,936
Car and other allowances	272,160	45,360
Contributions to UIF, Medical and Pension Funds	61,650	4,000
	1,351,476	444,296

TSR Nkhumise acted as a Municipal Manager from October 2016 to April 2017, was then appointed as a Municipal Manager from May 2017 to date.

Remuneration of Acting Municipal Manager

Annual Remuneration	-	778,730
Car and other allowance	-	88,776
Contributions to UIF, Medical and Pension Funds	-	157,092
	-	1,024,598

SG Mabuda was the acting Municipal Manager until September 2016

Remuneration of chief finance officer

Annual Remuneration	922,467	297,302
Car and other allowance	144,000	48,000
Contributions to UIF, Medical and Pension Funds	30,561	-
	1,097,028	345,302

The Chief Finance Officer MKG Ramorwesi was appointed in March 2017 to date.

Remuneration of acting chief finance officer

Annual Remuneration	-	944,580
Car and other allowance	-	150,000
	-	1,094,580

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

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Figures in Rand	2018	2017
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25. Employee related costs (continued)

CHR Boshoff was the acting chief financial officer until March 2017.

Remuneration of director public safety

Annual Remuneration/Annual equivalent remuneration	445,987	1,094,580
Contributions to UIF, Medical and Pension Funds	11,106	-
	457,093	1,094,580

LJ Nkumane was appointed as Director Public Safety from February 2018 to date.

The position for Director Public Safety was vacant for the financial year 2016/2017 hence an annual equivalent remuneration of R1 094 580 was used.

Remuneration of director of local economic development

Annual Remuneration/ Annual equivalent remuneration	495,732	1,190,868
Bonus	41,311	-
Car and other allowance	76,239	-
Acting allowance	162,552	-
Contributions to UIF, Medical and Pension Funds	168,166	-
	944,000	1,190,868

AK Khuzwayo have been acting as the director of local economic development.

The post for director macro-city planning and development which is now called director of local economic development was vacant in 2016/2017 financial year as the official who was appointed for this position(SG Mabuda) was acting as the municipal manager until September 2016 hence the annual equivalent was used.

Remuneration of Director Corporate Services

Annual Remuneration	457,093	-
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L Seametso was appointed as director corporate services from February 2018 to date.

Remuneration of Acting Director Corporate Services

Annual Remuneration	-	792,126
Car and other allowance	-	82,058
Contributions to UIF, Medical and Pension Funds	-	61,838
	-	936,022

The Acting Director Corporate Services LM Ramorola has been acting on this position until January 2018.

Remuneration of acting director strategic planning and human settlement

Annual Remuneration	498,180	1,190,868
Acting allowance	114,841	-
Bonus	44,361	-
Car and other allowances	191,942	-
Contributions to UIF, Medical and Pension Funds	154,101	-
Other	19,927	-
	1,023,352	1,190,868

P Phala has been acting as the director of strategic planning and human settlement.

City of Matlosana

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Figures in Rand	2018	2017
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25. Employee related costs (continued)

An annual equivalent remuneration for the post of director strategic planning, monitoring and control which has been changed to director strategic planning and human settlement has been used for 2016/2017 financial year as the post was vacant

Remuneration of director infrastructure

Annual Remuneration	397,093	-
Car and other allowance	60,000	-
	457,093	-

R Madimutsa has been appointed as director infrastructure from February 2018 to date.

Remuneration of acting director infrastructure

Remuneration of acting director infrastructure

Annual Remuneration	-	893,629
Car and other allowances	-	165,000
Contributions to UIF, Medical and Pension Funds	-	33,000
	-	1,091,629

LM More acted as director infrastructure until May 2017.

Remuneration of director community services

Annual Remuneration/ Annual equivalent remuneration	370,926	1,190,868
Car and other allowance	60,000	-
Contributions to UIF, Medical and Pension Funds	26,168	-
	457,094	1,190,868

MM Molawa was appointed as director community development from February 2018 to date.

The position of director municipal and environmental services which is now called director community development was vacant for the financial year 2016/2017 hence annual equivalent remuneration was used.

Remuneration of director: sports, arts and culture

26. Remuneration of councillors

Executive Mayor	1,012,408	859,856
Mayoral Committee Members	9,190,862	6,450,621
Speaker	828,643	733,770
Councillors	22,149,927	20,353,829
	33,181,840	28,398,076

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.

Remuneration of Executive Mayor - ME Kgaile

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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26. Remuneration of councillors (continued)

Councillors allowance	638,825	532,381
Councillors pension contributions	69,895	-
Cellphone Allowance	38,400	23,939
Other allowances	29,048	44,333
Travel Allowance	236,240	172,399
	1,012,408	773,052

ME Kgaile became a mayor from August 2016 to date.

Remuneration of Executive Mayor - MK Khauoe

Councillors allowance	-	61,665
Councillors pension contributions	-	6,416
Cellphone Allowance	-	2,326
Travel allowance	-	16,397
	-	86,804

MK Khauoe was a mayor till July 2016

Remuneration of Speaker - RW Ntozini

Annual Remuneration	477,387	375,981
Car Allowance	71,308	37,059
Cellphone Allowance	38,400	23,939
Medical aid contributions	17,280	14,400
Travel allowance	188,992	137,919
Other allowances	35,276	70,453
	828,643	659,751

RW Ntozini became a speaker from August 2016 to date

Remuneration of Speaker - LM Kortjas

Councillors allowance	-	48,079
Councillors pension contributions	-	4,945
Cellphone Allowance	-	6,437
Medical aid contributions	-	1,440
Travel Allowance	-	13,118
	-	74,019

LM Kortjas was a speaker until July 2016

Remuneration of Councillors and Mayoral Committee Members

Councillors allowance	18,752,329	16,283,170
Councillors pension contributions	1,373,362	822,486
Cellphone allowance	2,655,000	1,988,071
Medical aid contributions	302,005	184,739
Travel allowance	6,809,231	5,412,970
Other allowances	1,448,862	2,113,014
	31,340,789	26,804,450

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
27. Debt impairment		
Debt impairment	260,335	16,244,975
Contributions to debt impairment provision	616,751,192	527,213,577
	617,011,527	543,458,552
28. Investment revenue		
Interest revenue		
Bank	1,070,335	807,816
Interest charged on trade and other receivables	220,169,996	161,301,557
Interest on investments	10,588,115	8,357,872
	231,828,446	170,467,245
29. Depreciation and amortisation		
Property, plant and equipment	434,791,075	411,711,664
30. Finance costs		
Non-current borrowings	7,064,268	8,997,234
Other interest paid	38,762,014	34,957,730
	45,826,282	43,954,964
31. Auditors' remuneration		
Fees	3,537,187	4,057,121
32. Contracted services		
Security Services	25,433,793	22,705,734
Disconnecting/ Connecting Services	3,029,480	693,011
Debt Collection	10,711,743	12,403,036
Garden Services Paypoints	-	-
	39,175,016	35,801,781
33. Bulk purchases		
Electricity	467,670,362	529,967,390
Water	286,592,258	245,252,037
	754,262,620	775,219,427
Electricity (losses in units)	79,382,975	136,612,158
Electricity (losses as %)	16%	24%
Water (losses in units)	12,560,100	10,407,632
Water (losses) in %)	39%	35%

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.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
34. Cash generated from operations		
Deficit	(298,024,134)	(307,519,359)
Adjustments for:		
Depreciation and amortisation	434,791,075	411,711,664
Profit on Disposal of Assets	(1,314,526)	-
Debt impairment	617,011,527	462,331,490
Loss on disposal	21,604,918	32,631,093
Movements in provisions	14,479,547	(8,477,438)
Non-cash donation received	(14,932,787)	(20,836,637)
Leave provision	8,429,038	-
Stock Adjustment	1,574,739	591,767
Wild stock adjustment	(275,653)	955,169
Changes in working capital:		
Inventories	(8,974,619)	(3,373,393)
Receivables from exchange transactions	(22,379,538)	15,551,203
Consumer debtors	(690,280,511)	(498,263,156)
Other receivables	26,062	35,163
Payables from exchange transactions	189,605,582	178,110,130
VAT	(54,530,823)	(28,141,205)
Unspent conditional grants and receipts	19,183,183	(2,161,499)
	215,993,080	233,144,992

35. Commitments

Authorised capital expenditure

• Infrastructure	292,835,001	165,956,160
This expenditure will be financed from :		
• Government grants	292,835,001	165,956,160

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	8,780,498	26,844,680
- in second to fifth year inclusive	-	7,808,227
	8,780,498	34,652,907

Operating lease payments represent rentals payable by the municipality for photocopiers and refuse trucks. Leases are negotiated for an average term of three years. No contingent rent is payable.

City of Matlosana

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36. Related parties

Relationships

Councillor PN Moeng
Councillor SOC Barends
Councillor MI Groenewald

Titanic Funeral Services
Neo Ya Rona Trading Enterprise
Midvaal Water Company

Councillor Groenewald is a member of the board of directors of the Midvaal Water Company (a section 21 company) who supply bulk water to the City of Matlosana. Water purchased from Midvaal Water Company amounted to R286 592 258 (2017:R245 252 037), amount paid amounted to R176 122 137 (2017: 206 750 407) and the balance due as at year ended amounted to R309 545 991 (2017:162 428 824). Midvaal Water Company is a supplier and the transactions are at arm's length.

Councillors 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.

37. Prior period errors

1. In the prior year the opening balance for the following assets was discovered to have been misstated due to omissions made on the fixed asset register: Infrastructure was overstated by R4 277 723, Land was understated R4 289 402, Land and Building was understated by R15 901 769, Community Assets were over understated by R21 801 141, Other assets (Movables) were understated by R281 300, Heritage Assets were understated by R1 236 314, Investment property was understated by R61 951 942 and Depreciation was understated by R1 155 725.

2. In 2017 the retentions were overstated by R7 710 543 as a result of incorrect accounting in the prior periods, consequently payables from exchange transactions were overstated by the same amount.

3. In 2017 the creditors were overstated by R3 229 030 due to certain amounts being misallocated on the accrual listing, consequently the payables from exchange transactions were overstated by the same amount.

4. During the the 2017 financial period, debtors relating to sale of stands were overstated by R12 588 277 as the properties relating to these debtors had already been either transferred or the sale agreement had been cancelled by the end of 2017, the related impairment was also overstated by and amount of R10 485 541 and VAT receivable was overstated by R9 239.

5. The landfill classification system changed in 2013 from the Minimum Requirements for Waste Disposal by Landfill to the National Environmental Management: Waste Act (59/2008): Waste Classification and Management Regulations (Gazette No. 36784 issued in 2013). The change effectively puts stricter conditions on landfill closure and rehabilitation, with a concomitant increase in costs, especially for sites previously classified as Communal and Small. The mining rehabilitation methodology used previously understated the future costs and late application of the new methodology resulted in the provision for landfill site rehabilitation to be understated. The most practical adjustment that could be made was the opening balance of the 2016 period by R93 900 365, consequently this late application also led to the understatement of general expenses for the prior period (representing the movement of the provision) by R9 401 666.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

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37. Prior period errors (continued)

6. The provision for Post-Employment Medical Aid for the period ending 2016 was amended by R64 979 767 due to an error in assumptions the actuary uses in determining the liability and consequently provisions were understated by the same amount. The movement in the provision for the 2017 financial period was understated R10 318 751 and hence other income (recoveries) was understated by the same amount.

7. In 2017 there was a disposal of investment property that was not accounted for and consequently the general expenses were understated by R20 186 and Investment property was overstated by the same amount.

8. In the prior year the capital commitments were understated with an amount of R46 152 173 which resulted from certain contractors and consultants approved project amounts not being included in the final project (committed) amount.

9. There were prescribed amounts that were not written off in the correct period as there was no review done of such accounts in the prior period and this led to the overstatement of receivables from exchange transactions by R3 394 893 and understatement of payables from exchange transaction R4 816 670.

10. In 2017 there was an error in the calculation for the debtor relating to fines and this led to an overstatement of the receivables from non-exchange transaction by R997 886.

11. In 2016 the irregular expenditure register was overstated by R2 391 641 due to duplications and in 2017 the register was understated by R38 703 743 due to the composition of the bid adjudication committee not being constituted in accordance with SCM regulation 29(2).

12. In 2017 Fruitless and Wasteful expenditure was understated by R906 308 due to compensation for the former municipal manager not being included in the register.

13. In 2016, the disclosure of the grants and subsidies was incorrect as capital grants (namely, MIG, INEP, NDPG and the Fire grant) were incorrectly classified as operational grants. Also the EPWP operational grant was incorrectly classified as a capital grant.

14. There were two legal cases erroneously omitted under contingent liabilities in the 2017 annual financial statements. The cases in question are as follows:

- Munmap (Pty) Maxim Profit Recovery (Pty) Ltd vs City of Matlosana, the plaintiff is claiming R7 822 100
- Helgard Petrus De Clerq vs City of Matlosana, the plaintiff is claiming an amount of R6 000 000.

Effect of errors on the Accumulated Surplus

Increase in Accumulated Surplus due to error 1	- 102,339,869
Increase in Accumulated Surplus due to error 2	- 7,710,544
Increase in Accumulated Surplus due to error 3	- 3,229,030
Decrease in Accumulated Surplus due to error 4	- (2,102,737)
Decrease in Accumulated Surplus due to error 5	- (93,900,365)
Decrease in Accumulated Surplus due to error 6	- (75,298,518)
Increase Accumulated Surplus due to error 9	- 1,421,777
Decrease in Accumulated Surplus due to error 10	- (997,886)
Increase / (Decrease) in Unappropriated Surplus Account	- (57,598,286)

City of Matlosana

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Notes to the Annual Financial Statements

Figures in Rand	2018	2017
37. Prior period errors (continued)		
Effect of errors on Statement of financial position		
Increase in Property, plant and equipment due to error 1	-	37,995,888
Increase in Investment property due to error 1	-	61,951,942
Increase in Heritage assets due to error 1	-	1,236,314
Decrease in Payables from exchange transactions due to error 2	-	7,710,544
Decrease in Payables from exchange transactions due to error 3	-	3,229,030
Decrease in Receivables from Exchange transactions due to error 4	-	(2,093,497)
Increase in VAT receivable due to error 4	-	(9,239)
Increase in Provisions due to error 5	-	(103,302,031)
Increase in Provisions for to error 6	-	(64,979,767)
Decrease in investment property due to error 7	-	(20,186)
Decrease in receivables from exchange transactions due to error 9	-	(3,394,893)
Decrease in payables from exchange transactions 9	-	4,816,670
Decrease in receivables from non-exchange transactions due to error 10	-	(997,886)
	-	(57,857,111)
Effect of errors on Statement of Financial Performance		
Deficit as previously reported	-	(307,260,510)
Increase in General Expenses due to error 5	-	(9,401,666)
Increase in other income due to error 6	-	10,318,751
Increase in Depreciation due to error 1	-	(1,155,725)
Increase in General Expenses due to error 7	-	(20,186)
Restated deficit as per Statement of changes in Net Assets	-	(307,519,336)

38. Change in Accounting estimates

The estimated remaining useful life of the assets was reviewed and amended to ensure an accurate systematic allocation of the depreciable amount over the remaining useful life.

The effects of the change in estimate are as follows:

Statement of financial performance

Decrease in depreciation	26,862,275	-
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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%.

City of Matlosana

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39. Risk management (continued)			
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 2018 and 2017 respectively were as follows:			
Total borrowings			
Current Liabilities		996,348,334	771,061,064
Non-current liabilities		494,048,723	497,626,909
		1,490,397,057	1,268,687,973
Less: Cash and cash equivalents	13	136,154,314	90,532,317
Net debt		1,354,242,743	1,178,155,656
Total equity		4,553,307,043	4,909,188,311
Total capital		5,907,549,786	6,087,343,967

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 2018 and 2017, 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:

City of Matlosana

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39. Risk management (continued)

Financial instrument	2018	2017
Long term receivables	23,099,799	30,059,029
Consumer debtors	358,590,205	285,321,220
Other receivables	111,402	137,464
Cash and cash equivalents	136,154,315	90,532,317

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in note 12.

40. Going concern

We draw attention to the fact that although the municipality reported a deficit of R298 024 136 at June 30, 2018, the municipality had accumulated surplus of 4,553,307,043 and that the municipality's total assets exceed its liabilities by 4,553,307,043. However current liabilities exceeds current assets by R316 630 080.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

We are experiencing cash flow challenges as a result of low debtors collection rate which has an impact on our ability to pay our creditors timeously. Our ability to continue as a going concern is highly dependant on improvement of collections and management of costs. As a result of the above financial indicators, some uncertainty exists regarding the Municipality to continue as a going concern.

41. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

42. Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	1,682,312,273	1,498,231,982
Unauthorised expenditure current year	140,879,370	184,080,291

Unauthorised expenditure awaiting authorisation

1,823,191,643 1,682,312,273

The over expenditure for the 2018 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	152,812,922	114,486,490
Fruitless and wasteful expenditure current year	51,252,909	37,420,124
Prior period error	-	906,308

Fruitless and wasteful expenditure awaiting condonement

204,065,831 152,812,922

The Municipality incurred interest as a result of late payment of the Eskom, SARS, Midvaal and Auditor General accounts. Fines and penalties were also incurred for non payment of the amounts due to the Department of Labour for workman's compensation contributions.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
44. Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	2,428,632,146	2,114,676,517
Add: Irregular Expenditure - current year	297,924,650	254,293,906
Deviations	21,548,571	20,957,980
Prior period errors	-	38,703,743
Irregular expenditure awaiting condonement	2,748,105,367	2,428,632,146

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.

Details of irregular expenditure

Bid composition not constituted	160,065,025	30,298,957
Order splitting	12,349,940	14,878,829
Three quotes not attached	906,038	232,237
Non disclosure of interest	11,414,298	6,169,272
No seven days advertisement	2,360,375	779,402
No tax compliance	-	310,439
Regulation 32 appointment	54,878,106	77,869,861
Competitive bidding processes not followed	16,811,625	61,230,823
SCM processes were not followed	39,139,243	100,718,667
Deviations not reported to Council	21,548,571	21,467,143
	319,473,221	313,955,630

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	2,260,000	2,788,000
Amount paid - current year	(1,760,000)	(2,788,000)
	523,754	23,754

Audit fees

Opening balance	1,342,243	1,866,567
Current year subscription / fee	4,821,180	3,420,849
Amount paid - current year	(3,738,486)	(3,945,173)
	2,424,937	1,342,243

PAYE, UIF and SDL

Opening balance	5,190,280	4,671,183
Current year subscription / fee	73,459,921	53,594,461
Amount paid - current year	(72,529,359)	(53,075,364)
	6,120,842	5,190,280

Pension and Medical Aid Deductions

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
45. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Opening balance	10,487,037	10,339,820
Current year subscription / fee	207,463,942	160,343,334
Amount paid - current year	(206,834,080)	(160,196,117)
	11,116,899	10,487,037

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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45. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	97,668,650	43,137,827
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Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2018:
(Currently arrangements with the Councillors to deduct the outstanding balances from their monthly salaries in line with the council's credit policy)

June 30, 2018	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Coetzee	6,857	47,616	54,473
Councillor MF Nthaba	10,691	14,130	24,821
Councillor M DUMZELA	1,910	1,262	3,172
Councillor MI MANGESI	3,129	702	3,831
Councillor JS Tsabedze	601	13,814	14,415
Councillor R Thejane	994	83,527	84,521
Councillor HL Methi	2,585	18,950	21,535
Councillor SH Nani	1,737	68,423	70,160
Councillor DM MAKINANI	624	11,114	11,738
Councillor RK Ponisi	912	43,979	44,891
Councillor TG Khoza	1,840	8,114	9,954
Councillor SPJ MM BOGATSU	5,863	9,098	14,961
Councillor M Ntaopane	1,751	4,232	5,983
Councillor B MVELASE	1,161	14,887	16,048
Councillor GL Moeng	7,679	3,897	11,576
Councillor SD Mongale	1,839	4,628	6,467
Councillor MJ Moloko	3,190	48,649	51,839
Councillor G Mqikela	1,084	44,871	45,955
Councillor LE/MV MOPHETHE	5,535	23,720	29,255
Councillor N NDELA	3,393	83,523	86,916
Councillor ME KGAILE	2,788	2,000	4,788
	66,163	551,136	617,299

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017	
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

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 June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
45. Additional disclosure in terms of Municipal Finance Management Act (continued)		
June 30, 2018	Highest outstanding amount 2018	Highest outstanding amount 2017
Councillor R Thejane	84,522	90,549
Councillor DF Roodt	-	78,768
Councillor SH Nani	70,160	64,454
Councillor HL Methi	21,534	58,618
Councillor RK Ponisi	44,891	56,277
Councillor MJ Moloko	51,839	46,381
Councillor M Coetzee	54,472	43,875
Councillor G Mqikela	45,955	41,717
Councillor MF Nthaba	24,821	27,425
Councillor NI Matetoane	-	25,920
Councillor TG Khoza	9,954	24,327
Councillor JS Tsabedze	14,415	20,104
Councillor M Ntaopane	5,983	17,894
Councillor MC Mahlangu	-	14,290
Councillor SD Mongale	6,468	11,716
Councillor NA Ludidi	-	10,832
Councillor GL Moeng	11,576	10,117
Councillor NS Mandela	-	7,371
Councillor NS Mandela	-	6,341
Councillor GS Nkebe	-	6,121
Councillor TM Mabulela	-	4,589
Councillor VS Qankase	-	3,282
Councillor ME Mosweu	-	3,132
Councillor ME Kgaile	4,788	-
Councillor M DUMZELA	3,172	-
Councillor MI MANGESI	3,831	-
Councillor DM MAKINANI	11,738	-
Councillor MM BOGATSU	14,960	-
Councillor B MVELASE	16,047	-
Councillor LE/MV MOPHETE	29,255	-
Councillor N NDELA	86,916	-
	617,297	674,100

Supply chain management regulations

Deviations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been approved by the municipal manager.

Incidents

Appointment of Consultants	90,198	2,187,863
Information technology upgrade	1,856,306	5,841,645
Security services	5,277,980	20,000,000
Extension of contract period/sum	7,445,358	1,136,764
Upgrade of infrastructure (sewer)	1,870,729	6,637,579
Supply and delivery of plant and equipment	1,586,539	288,522
Other	4,735,695	1,899,541
Deviations less than R200 000	1,472,550	1,646,344
	24,335,355	39,638,258

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
46. Contingent assets		
Contingent assets		
ERF 1124, Orkney (Springbok Furniture)/ City of Matlosana Council instituted claims against the defendant for contravention of a servitude registered in the favour of the City of Matlosana.	150,000	-
City of Matlosana / Munmap (Pty) Ltd Maximum Profit Recovery (Pty) Ltd Council obtained judgement against respondent.	650,000	650,000
Isago at N12 Development / City of Matlosana, Abacus Asset Management And Sanral Isago owes the Municipality 3,6million for the value to street lights that should have been installed.	3,600,000	3,600,000
City of Matlosana / Great Champs Trading GCT have an outstanding debt arising from occupancy of rental space from by the municipality,	76,693	76,693
City of Matlosana / Badiboa Tender paving of taxi routes and storm water drainage contract cancelled by Matlosana due to Badiboa failing to progress with the contract	1,500,000	1,500,000
City of Matlosana / Mr Masisi City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure	2,657,462	2,657,462
City of Matlosana / Isago at N12 Development Failure to repay security fee to the City of Matlosana which was paid to Eskom on the start up of the Gumtress electrical substation.	10,000,000	10,000,000

47. Contingent liabilities

The certainty and timing of the of the outflow of economic resources related the contingent liabilities listed below is uncertain. The amount listed below have been provided by the legal experts handling the respective cases and it was deemed impracticable to include the legal costs to be incurred due to the complicated nature of the cases they are handling and uncertainty of the time frames required to conclude these cases.

There is no possibility of any reimbursement for the cases listed below.

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
47. Contingent liabilities (continued)		
City of Matlosana / Balemi		
Service provider did not deliver on services as awarded by the tender	16,000,000	-
City of Matlosana / Munmap (Pty) Ltd		
The plaintiff is suing the Municipality for a tender dispute.	7,822,100	7,822,100
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
City of Matlosana / ET Motsemme		
The plaintiff is suing the municipality for wrongful dismissal	-	13,000,000
City of Matlosana / Bakgeni Civils & Construction		
Arbitration award for non monetary claim to supplier	151,000	-
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	100,000
P&S Basson / City of Matlosana		
A summons was brought against the Council for psychological shock and emotional shock by the Plaintiffs.	283,200	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	17,391,228
HL MATLALA T/A GOROGANG PLANT HIRE / City of Matlosana		
Goragang terminated its agreement with the city of matlosana and issued summons claiming the amount stipulated.	1,572,713	-
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
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		
The city of Matlosana is sued for the death of a contractor on site. The contractor was engulfed by the top soil while repairing a pipe and died as a result.	1,212,000	1,212,000
City of Matlosana / Bonang Trading Developments		

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
47. Contingent liabilities (continued)		
Breach of contract on training contract of ward members, The company has been liquidated, the owner of the company has passed on, rescission of the liquidation has not been filed	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	268,383
City of Matlosana / Helgard Petrus De Clerq and others		
Eviction from private property resulting in an application for constitutional damages	6,000,000	6,000,000
Nicolaas Johannes Myburg / City of Matlosana		
Damages to his property due to fire outbreak after the fire brigade reacted to his call and arrived after their equipment malfunctioned	1,007,879	1,007,879
Tshireletso professional services/City of Matlosana		
Tshireletso instituted a legal proceeding claiming that the appointment of White Leopard Security services was unlawful	27,339,437	-
Vesta Technical Services (Pty) Ltd / City of Matlosana		
The claimant instituted legal action against the City of Matlosana for a cancelled service level agreement which the City is defending due to non functionality of the system the service provider had implemented.	15,080,630	-
City of Matlosana / Solid Base Trading CC		
Claim against City of Matlosana due to expropriation of land.	-	350,000
IMIC Investments (Pty) Ltd / City of Matlosana		
The claimant instituted legal action against the City of Matlosana.	329,536	329,536

48. Financial instruments disclosure

Categories of financial instruments

2018

Financial assets

	At amortised cost	Total
Other financial assets	32,166,298	32,166,298
Trade and other receivables from exchange transactions	32,743,259	32,743,259
Consumer debtors	358,590,205	358,590,205
Cash and cash equivalents	136,154,315	136,154,315
Deposits	15,000,000	15,000,000
Other receivables	111,402	111,402
	574,765,479	574,765,479

Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	85,463,210	-	85,463,210
Trade and other payables from exchange transactions	-	904,850,933	904,850,933
Consumer Deposits	-	29,941,387	29,941,387
Unspent conditional grants	-	27,770,139	27,770,139

City of Matlosana

Annual Financial Statements for the year ended June 30, 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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Financial instruments disclosure (continued)

85,463,210 962,562,459 1,048,025,669

2017

Financial assets

	At amortised cost	Total
Other financial assets	30,059,029	30,059,029
Trade and other receivables from exchange transactions	10,363,719	10,363,719
Consumer debtors	285,321,220	285,321,220
Cash and cash equivalents	90,532,317	90,532,317
Deposits	15,000,000	15,000,000
Other receivables	137,464	137,464
	431,413,749	431,413,749

Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	101,268,114	-	101,268,114
Trade and other payables from exchange transactions	-	706,826,314	706,826,314
Consumer Deposits	-	24,124,748	24,124,748
Unspent conditional grants	-	8,586,956	8,586,956
	101,268,114	739,538,018	840,806,132

City of Matlosana
Appendix A

Schedule of external loans as at 30 June 2014

Loan Number	Redeemable	Balance at Friday, June 30, 2017	Received during the period	Redeemed written off during the period	Balance at Saturday, June 30, 2018
		Rand	Rand	Rand	Rand
		-	-	-	-
		-	-	-	-
NW10959	30-Sep-2017	555,220	-	555,220	-
NW11182	30-Sep-2018	1,613,877	-	1,036,317	577,560
NW13637	30-Sep-2020	1,760,005	-	412,499	1,347,506
NW13874/1	30-Sep-2019	1,111,111	-	555,555	555,556
NW13874/2	30-Jun-2019	14,998,125	-	-	14,998,125
NW101297/1	30-Jun-2019	6,830,359	-	3,229,308	3,601,051
NW101297/2	30-Jun-2019	8,546,927	-	4,040,880	4,506,047
103677/1	1-Nov-2025	25,781,177	-	2,071,049	23,710,128
10556	31-Mar-2018	1,820,874	-	1,820,874	-
10906	30-Sep-2019	1,613,133	-	575,348	1,037,785
10912	30-Sep-2019	2,388,979	-	852,065	1,536,914
10913	30-Sep-2019	1,838,662	-	655,787	1,182,875
		69,250,855	-	16,197,308	53,053,547
		-	-	-	-
		69,250,855	-	16,197,308	53,053,547
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		69,250,855	-	16,197,308	53,053,547



**Final consolidation of this report was done
by the Performance Management Unit**

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