



**MOHOKARE**  
LOCAL MUNICIPALITY

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**2016/2017 MID-YEAR AND BUDGET PERFORMANCE ASSESSMENT REPORT**

<b>Table of contents</b>	<b>Pages</b>
Submission to the Mayor	5
Mayor’s foreword	6
Introduction	8
<b>Community Services</b>	
• EPWP	9
• Housing	10
• Commonage Management	10
• Traffic Law Enforcement	11
• Environmental Health	14
• Refuse removal	15
• Amenities	16
<b>Technical Services</b>	18
• Project Management Unit	18
• Drinking Water Services	18
• Roads and storm water	19
• Sanitation	18
• Electricity	19
• Capital Programmes: MIG	20
• Integrated National Electrification Project	21
• Regional Bulk Infrastructure Grant	21
• Water Services Infrastructure Grant	22
• Operational reports	22
• Projects	27
<b>Planning and Local Economic Development</b>	<b>29</b>
• Town Planning	29

• Local Economic Development	34
<b>Corporate Services</b>	<b>37</b>
• Employment Equity	37
• Learner ships & Internship	38
• Skills Development Trainings	39
• Personnel turnover	
• Labour Relations	41
<b>Financial Viability</b>	<b>43</b>
• Financial Health Overview	43
• Overview of financial performance	43
• Operating Income	43
• Revenue by Source	44
• Operating Expenditure	45
• Personnel Expenditure	48
• Debtors Age Analysis	50
• Government Grants	51
• Corrective measures	52
• Adjustment Budget	52
<b>Municipal Manager’s Office</b>	<b>53</b>
• Information technology	53
• Risk Management	56
<b>SDBIP</b>	<b>65</b>

## **VISION**

**“TO BE A COMMUNITY DRIVEN  
MUNICIPALITY THAT ENSURES SUSTAINABLE  
QUALITY SERVICES DELIVERY APPLYING  
PRINCIPLES OF GOOD GOVERNANCE”**

## **MISSION**

**“A PERFORMANCE DRIVEN MUNICIPALITY  
THAT UTILISES ITS RESOURCES EFFICIENTLY  
TO RESPOND TO COMMUNITY NEEDS”**

**To: The Mayor**

In accordance with section 72 of the Local Government: Municipal Finance Management Act 2003 (the "MFMA"), I submit the required statement assessing the performance of Mohokare Local Municipality during the first half of the 2016/17 financial year

Section 54 of the MFMA requires the Mayor to take certain actions on receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (the "SDBIP").

The information contained in this report has been reviewed and it is evident that adjustments to the capital and operating budgets will be necessary. When an adjustment budget is adopted, the SDBIP will need to be reviewed and adjusted.

A handwritten signature in black ink, appearing to read 'TC Panyani', is written over a horizontal line. The signature is somewhat stylized and scribbled.

**TC Panyani**

**Municipal Manager**

**25 January 2017**

## MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

The mandate given by society to us is to improve the quality of their lives. These ideals are captured in the IDP (Integrated Development Planning) that was adopted at the beginning of the financial year, therefore mid-year budget and performance report is an assessment of the overall enactment of the municipality for the first (6) six months of the 2016/2017 financial year. It serves as a mechanism which seeks to review the progress that is made in realizing the targets the municipality had set itself at the beginning of the financial year.

The purpose of this report on service delivery and budget implementation is to outline on the performance of the municipality against the municipality's Integrated Development Plan (IDP) as well as Service Delivery and Implementation Plan for the first half of 2016/2017 financial year (01 July to December 2016). The objective of this report conforms to the various pieces of legislation such as the Municipal Finance Management Act – 56 of 2003; Section 72 and the Municipal Budget and Reporting Regulations; section 35. The municipality progressed significantly in achieving objectives with regard to the five (5) key performance areas applicable to local government.

- Basic Service delivery and infrastructure development
- Local Economic Development
- Municipal Financial viability and revenue management
- Good governance and public participation
- Municipal transformation and development

Our duty as political principals of the municipality is to ensure the significant contribution in the eradication of poverty, unemployment and inequality in our area of Mohokare. This can only be attained through positive oversight role on municipal administration in the performance for the implementation of the Council approved Service Delivery and Budget Implementation Plan (SDBIP).

I, the Mayor of Mohokare municipality take pride in presenting the Mid-Year report which reflects on the performance of both the service delivery and budget for the first Six (6) months of the 2016/2017 financial year.

The report detailed the achievements in various deliverables of which the following are but few examples:

- Itumeleng/Zastron Sports Ground: The project is aimed at service delivery to the community of Matlakeng and also to fight issues such as crime through sports, recreation. (2016/17 Financial year)
- Rouxville Regional Bulk Water Scheme: Upgrading of Rouxville Water Treatment Works(WTW) & Construction of a 27 KM Raw Bulk Water pipeline from Orange river to the Pailsey Dam(C2)
- Upgrading of the Zastron Water Treatment Works (WTW): The aimed at increasing amount of purified water for the town of Zastron.
- Upgrading of Zastron Raw Water Pump Stations: The projects aimed at increasing amount of raw water to the Zastron WTW for purification purposes.

Although the municipality received an unqualified audit opinion in the last financial year, we made a commitment that things will change for the better. Hopefully as we approach the end of the

the financial year we will improve our budget performance for the benefit of the institution and the community at large.

Let me also take this opportunity to pass my appreciation to the members of the public for their continuous support on matters of the municipality. Re aha motse.



Clr I. Mehlomakulu

Mayor

## INTRODUCTION

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (Herein after referred to as the MFMA), the accounting officer of a municipality must by 25 January of each year-

- (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
  - (i) The monthly statements referred to in section 71 for the first half of the financial year;
  - (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities (*excluded in this report*); and
    - submit a report on such assessment to-
    - The Mayor of the Municipality;
    - The National Treasury; and
    - The relevant provincial treasury.

1.2 Thereafter, the Mayor must, in terms of Section 54. (1)-

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
  - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 25 January of each year.

**CHAPTER 2  
SERVICE DELIVERY REPORTS**

**2 COMMUNITY SERVICES**

**2.1 INTRODUCTION**

The aforementioned department is responsible for provision of services that relates to social issues and or concerns.

Amongst them, is provision of refuse removal, traffic safety and security, management of municipal commonages/livestock, human settlements to address housing issues, including sports facilities and amenities. This different responsibility are categorised hereunder as per divisions cited of objectives within the department.

Having said or mentioned the above, we annually receive and upon request, the grant to assist the Municipality on EPWP projects and oversee the Community Works Programme assigned to Municipalities for hands on support. Not forgetting to mention that, our Sister Municipality, has seconded Environmental Health Practitioner to provide environmental programmes and projects for the sole purpose of preserving the healthiness of the environment and our own wellbeing.

**2.1.1 Expanded Public Works Programme**

The Municipality is always been allocated a R 1 million on annual basis as an incentive grant for implementation of labour intensive programmes which has the primary objective of creating employment opportunities. Since the termination of previous intake in November 2016, no terms have been appointed.

**2.1.2 PROJECTS SINCE JULY TO DECEMBER 2016**

The report intends to give a preview of work, projects and activities done since the start of 2016/17 financial year to December 2016.

LIST NO.	PROJECT NAME	AREA/TOWN	PROJECT PERIOD
1.	Ets'o Building Construction	Zastron/Matlakeng	April 2015 to March 2017

This housing projects are a Provincial programmes for function from Human Settlements directorate intended to make difference to all residents within the Municipality through the below mentioned allocations;

Progress report on the project:

Zastron/Matlakeng;

Project Name	Name of Contractor	Allocated Housing Units	Project Status		
			P. 5.1. (foundation level)	P.52 (Wall plate level)	P.53 (Completions)
Eradication of two roomed	Ets'o Construction	200 (two hundred Units)	86 (eighty six)	31(thirty one)	55 (fifty five)

housing units in Zastron.					
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### 2.1.3 Housing

#### ESTABLISHED COMMITTEES

Other than facilitation of housing projects, housing and sites disputes that emanates from different families and relatives, that we usually refer to office of Magistrate on a place or town from which the dispute has been lodged, the Municipality does facilitate registration of sites and further oversee and ascertain registration of title deeds under low cost housing subsidy schemes normally been sub delegated by the Province to the Municipalities. The below list reflects on title deeds allocated since the beginning of the current municipal financial year to date.

Month	No. of title deeds received from the Province	Number of title deeds available			Number of title deeds issued out			Total issued out
		Rouxville	Smithfield	Zastron	Rouxville	Smithfield	Zastron	
July	0	406	64	216	1	0	0	1
August	0	405	64	216	0	0	0	0
September	0	405	64	216	0	0	0	0
Oct.	0	398	64	216	7	0	0	7
Nov.	0	391	64	216	7	0	0	7
December	0	389	64	216	1	0	0	1
<b>Total number of title deeds issued out</b>	0	389	64	216	16	0	0	16

### 2.1.4 COMMONAGE MANAGEMENT

#### Municipal Livestock

Date / Datum	Balance / Einde	Increase/ Decrease / Styging	Reason/s of Decrease / Increase/ Rede vir styging	Breakdown of balance / Ontleiding van eindbalans									
				Total No.	Cattle's			Total No.	Horses			Total No.	Grand Total No.
					Bulls	Cows	Calves		Stallions	Mares	Pony		
July to Dec.	74	1	1 x new born calf	75	1	32	36	69	01	03	02	06	75
	75	7	7 x calves slaughtered	68	1	32	29	62	01	03	02	06	68

68	0	1 x new born calf	69	1	32	30	68	01	03	02	06	69
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## 2.1.5 TRAFFIC LAW ENFORCEMENT, SAFETY AND SECURITY

SUMMARY TRAFFIC NOTICES ISSUED AND PAYMENTS RECEIVED – JULY TO DECEMBER – 2016

Number of notices issued with money value;

Month	Zastron		Rouxville		Smithfield		Total amount in Rand value
	Fines issued	Amount issued	Fines issued	Amount issued	Fines issued	Amount issued	
July	0	R0	0	R0	4	R3 500	R3 500
August	8	R5 600	4	R2 500	0	R0	R8 100
September	14	R7 900	68	R46 450	13	R9 750	R64 100
October	1	R750,00	302	R214,802.00	146	R112,646.00	R328 198
November	3	R1,500.00	125	R92,500.00	51	R38, 000.	R132 000
December	0	R0	11	R8,100.00	8	R6000.00	R14 100
Total Rand value for quarter one of the year							<b>R 549 998</b>

Payments received from the court unto the Municipality

Month	Zastron	Rouxville	Smithfield	Total amount received
July	R0	R1 900.00	R0	R1 900.00
August	R1 600.00	R0	R1000.00	R2 600.00
September	R900.00	R0	R0	R900.00
October	R0	R3,050.00	R8000.00	R11,050.00
November	R0	R0	R4,500.00	R4,500.00
December	R0	R0	R1000	R1000
Total amount received during 1 <sup>st</sup> quarter of the year				<b>R21 950</b>

Safety Laser cameras captured images

Month	Rouxville / Aliwal North	Smithfield	Total captured images
July	4018	1015	5033
August	2052	884	2936

September	0	0	0
October	0	0	0
November	507	176	683
December	1804	3074	4878
<b>Total images captured on the first quarter</b>			<b>13530</b>

**Safety Laser cameras amount paid**

Month	Amount paid	Total amount paid
	Rouxville / Aliwal North / Smithfield	
July	R364 300.00	R364 300.00
August	R342 250.00	R342 250.00
September	R272 550.00	R272 550.00
October	R 179 500.00	R 179 500.00
November	R 82 400.00	R 82 400.00
December	R63 900.00	R63 900.00
<b>Total amount paid on the first quarter of the year</b>		<b>R1 032 350.00</b>

Additional to the above (traffic reports), is a report on accidents that took place in Mohokare area of jurisdiction. All of the below reports, were reported and attended the presence of Municipal Traffic Officers.

Month	Name of Town	Number of accidents reported and attended	Nature of accident				Total number of road accidents
			Critical	Minor without Injuries	Minor with Injuries	Number of deceased person/s	
July 2016	Rouxville	-	-	-	-	-	-
	Smithfield	-	-	-	-	-	-
	Zastron	-	-	-	-	-	-
<b>Total no. of road accidents reported and attended;</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
August 2016	Rouxville	6	2	-	3	-	11
	Smithfield	5	1	-	2	-	8
	Zastron	3	-	-	-	-	3
<b>Total no. of road accidents reported and attended;</b>		<b>14</b>	<b>3</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>22</b>
September 2016	Rouxville	2	2	-	3	-	7
	Smithfield	3	3	-	2	-	8
	Zastron	3	3	-	1	-	7
<b>Total no. of road accidents reported and attended;</b>		<b>8</b>	<b>8</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>22</b>
<b>Total no. of road accidents Reported and attended During first quarter the year</b>		<b>44</b>	<b>22</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>88</b>

Month	Name of Town	Number of accidents reported and attended	Nature of accident				Total number of road accidents
			Critical	Minor without Injuries	Minor with Injuries	Number of deceased person/s	
October	Rouxville	6	0	0	0	0	6
	Smithfield	4	0	0	0	0	4
	Zastron	0	0	0	0	0	0
<b>Total no. of road accidents reported and attended;</b>		<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
November	Rouxville	0	0	0	0	0	0
	Smithfield	0	0	0	0	0	0
	Zastron	5	0	1	0	0	5
<b>Total no. of road accidents reported and attended;</b>		<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>5</b>
December	Rouxville	9	0	3	0	3	9
	Smithfield	17	5	9	0	1	17
	Zastron	10	4	9	0	18	10
<b>Total no. of road accidents reported and attended;</b>		<b>36</b>	<b>9</b>	<b>21</b>	<b>0</b>	<b>22</b>	<b>36</b>
<b>Total no. of road accidents Reported and attended During first quarter the year</b>		<b>51</b>	<b>9</b>	<b>22</b>	<b>0</b>	<b>23</b>	<b>51</b>

## 2.1.6 ENVIRONMENTAL HEALTH REPORT

This division falls within the competency of the Xhariep District Municipal offices situated in Trompsburg as its one of the main functions they are performing regarding hands on support to Local Municipalities. Amongst all the work and projects done within this division, the below table with strategic objectives and purpose, reflects on the status that have been achieved from monthly to annual reporting.

CWP (Community Works Programme) under the auspice of Provincial CoGTA.

A programme from the Province as mentioned above to local Municipality for technical assistance on specific identifiable areas where Municipality is faced with challenges. There is constant consultations or communication between the Municipality and the Provincial CoGTA regarding the programme and the ground work usually done by the workers, find its expression within the reports that will be received from the Municipal EPWP Champion`s on annual basis.

This programmes started with three hundred (300) contractual employees or Beneficiaries since its inception. From July to December 2016, we have seen an increase in numbers due to new annual intakes though we must again record that somewhere somehow, numbers deteriorate as a result of resignations, other work opportunities etc.

The allocations are spread within all the Town`s Wards as per the below table;

Name of Town	Total Number of Beneficiaries	Allocations per Town	Total
Smithfield/Mofulatshepe	1076	340	340
Rouxville/Roleleathunya		302	302
Zastron/Matlakeng		434	434
<b>Total allocations per Town, per Ward</b>	<b>1076</b>	<b>1076</b>	<b>1076</b>

## 2.2 REFUSE REMOVAL

### Operations

The aforementioned division was and is still faced with a challenge regarding the effective removal of refuse.

### Challenges

Our major challenges, particularly in Smithfield, that hampered the service delivery, is shortage of vehicles and frequent repairs and maintenance of the one`s we currently have, including the staff shortage. In Zastron and Rouxville, problems are mainly caused by unforeseen failure of vehicle/s and such, is treated or addressed as and when is happening.

### Vehicles currently been utilised.

**In Zastron/Matlakeng**, a trailered tractor and a compactor truck are been utilised to remove the refuse in both Matlakeng and Zastron as per the towns programme. The services are effectively been provided except in cases where the reasons mentioned above, including the warm bodies interfere with our daily, weekly to monthly programmes. Apart from having challenges regarding shortage of staff, and constant

repairs and maintenance of the BELL and Massey Ferguson tractors and tipper trailers in both Rouxville and Smithfield, the removal of refuse programme is and can be consistently adhered to through the below stated machinery and or vehicles in each individual Towns.

**Individual Towns report on machines/vehicles regarding the refuse removal is as below;**

Name of Town	Name of Tractors/Machines available to remove refuse	Other Vehicles / Machinery available
Rouxville/Roleleathunya	<ul style="list-style-type: none"> <li>BELL Tractor and a Tipper Trailer</li> <li>Tractor and Tipper Trailer.</li> </ul>	None
Zastron/Matlakeng	Compactor Truck, Tractor and a Tipper Trailer.	None
Smithfield/Mofulatshepe	<ul style="list-style-type: none"> <li>BELL Tractor and a Tipper Trailer</li> <li>Tractor and a Tipper Trailer.</li> </ul>	None

**2.3. AMENITIES**

The Municipality is responsible to ascertain disposal of each type of a waste, from human corps to a carcass, the liquid and solid waste within its area of jurisdiction. Though this rests within its arm bit, cognizance must be taken of all prescript's that guide the processes as some thereon are consultative process that need views from internal and external Stakeholders. It is therefore based on the above that, every care is taken in executing each and every activity on our cemeteries.

**Allocation of graves;**

Month	Name of Town	Number allocated							No of top on top	Ward Number						Total Graves allocated
		Still born	0-5	6-15	16-21	22-36	37-65	66 Up		1	2	3	4	5	6	
July	Rouxville	0	0	1	0	3	4	0	0	-	-	-	-	-	8	8
	Smithfield	0	0	1	0	2	2	0	1	-	-	-	-	-	-	6
	Zastron	0	0	0	0	7	0	0	0	-	-	-	-	-	-	7
August	Rouxville	0	0	0	0	5	5	0	0	-	-	-	-	-	-	10
	Smithfield	0	0	0	3	4	2	0	0	-	-	-	-	-	-	9
	Zastron	0	0	0	5	8	7	0	0	-	-	-	-	-	-	20
Sept.	Rouxville	0	0	0	0	0	3	3	0	-	3		3	-	-	6
	Smithfield	0	0	0	0	2	4	0	3	-	-	-	-	-	9	9
	Zastron	1	0	0	0	0	15	0	0	6	-	6	-	4	-	16
October	Rouxville	0	0	0	0	5	2	3	0	-	7	-	3	-	-	10
	Smithfield	0	0	0	0	0	7	0	1	-	-	-	-	-	8	8
	Zastron	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Nov.	Rouxville	0	0	0	0	1	4	2	1	-	5		3	-	-	8
	Smithfield	0	0	0	0	1	5	0	0	-	-	-	-	-	-	6
	Zastron	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0

<b>Dec.</b>	Rouxville	0	0	0	0	0	7	3	0	-	5	-	5	-	-	<b>10</b>
	Smithfield	0	0	0	1	0	7	0	0	-	-	-	-	-	-	<b>8</b>
	Zastron	0	0	0	0	0	0	0	0	-	-	-	-	-	-	<b>0</b>
<b>Total number of deceased individuals recorded at Municipality</b>		1	0	2	9	38	74	11	6	-	-	-	-	-	-	<b>141</b>

## 2.4.1 Introduction

The Technical Services Department has been structured to include the below mentioned divisions:

### 2.4.1.1 Project Management Unit

The PMU unit was established in March 2009 and its functions are to oversee the implementation of all MIG projects, but this function has however been extended to management of all Infrastructural projects within the Municipality.

Grants managed by the PMU for 2016/2017

- Municipal Infrastructure Grant (MIG)
- Regional Bulk Infrastructure Grant (RBIG)
- Water Services Infrastructure Grant (WSIG)

Allocation per Grant

<b>Grant name</b>	<b>2015/16 Allocation</b>
Municipal Infrastructure Grant (MIG)	R 28 429 000.00
Regional Bulk Infrastructure Grant (RBIG)	R 35 000 000.00
Water Services Infrastructure Grant (WSIG)	R 30 265 000.00

The structure of the unit is as follows

- PMU Manager Post Occupied
- PMU: Junior Technician/ Data Capturer Vacant
- PMU Intern Post Occupied
- EPWP Data collector (Public Works Official) Post Occupied

### 2.4.1.2 Drinking Water Services

The Municipality is both a Water Services Authority and a Water Services Provider. It provides drinking water through three independent water systems that are located in each town. The Smithfield Water treatment plant was upgraded in December 2013 Zastron and Rouxville water treatment plants are still on construction (Upgrade). The Municipality has further embarked on construction of a 27 km raw water pipeline in Rouxville and the 15km raw water pipeline in Zastron. The Municipality conducts monthly water test as per SANS 241 in order to ensure that the supplied water is always good for human consumption.

The basic minimum standard for water supply in Mohokare Municipality is tap inside a yard, and currently the Municipality has no backlog.

### 2.4.1.3 Sanitation Services

The Municipality provides water borne sanitation as its basic minimum standard for sanitation service; however certain households within the three towns are still utilizing buckets system. The Municipality through the support from National government has management to eradicate 736 buckets in all three towns and the remaining backlog is indicated below:

Zastron	: ± 30 (due to blocked mainlines in Refengkhoto)
Rouxville	: 48
Smithfield	: 5

The Municipality has further embarked on upgrading of Waste water treatment plants were Smithfield plant was completed in March 2013 and the Zastron plant upgrade is still underway.

#### **2.4.1.4 Roads and Storm Water Division**

The Municipality is still been faced with a challenge of none availability of road maintenance machinery and this is resulting with a huge backlog on road division. However significant improvement on access roads was achieved with the construction of the 2.9 km access road in Matlakeng on the 2015/16 financial year and the current road upgrade in Smithfield for 5 km. Other activities within this unit include patching of potholes in Zastron and cleaning of storm water channel in all three towns utilizing EPWP program.

#### **2.4.1.5 Electricity**

Although provision has been made for establishment of the electricity division in the Municipal organogram but its functions are limited to internal operational work (e.g. operation and maintenance of water and waste water treatment works, maintenance of Municipal buildings, etc.) as this service has been outsourced to CENTLEC.

## 2.5 CAPITAL PROGRAMMES

### 2.5.1 Municipal Infrastructure Grant

The Municipality has been allocated with R 28 429 000.00 for implementation of MIG projects in the 2015/16 financial year which includes an amount of R 11 000 000.00 gazette for sports projects by the Department of Sports & Recreation South Africa (DSRSA) through the MIG

<i>Project Description</i>	<i>MIG Value “R</i>	<i>Expenditure prior 2015/16 “R</i>	<i>Expenditure in 2016/17 “R</i>	<i>Status of the Project</i>	<i>Planned Completion</i>
Mohokare PMU 2015/16 Operational Budget	1,421,450.00	-	389,630.02	Functional	-
Zastron/Matlakeng: Upgrading of the waste water treatment works	22,902,597.00	21,205,718.07	221,434.55	Construction -85%	24-Mar-17
Smithfield/Somidopark: Construction of 3km access collectors, internal streets and related storm water	17,268,747.00	4,601,615.01	7,370,358.33	Construction -75%	26-May-17
Mofulatshepe: Upgrading of sports ground	3,302,322.00	2,642,466.77	-	Design and Tender for completion -75%	28-Feb-17
Zastron/Itumeleng: Upgrading of sports facility (MIS:227491)	3,200,000.00	-	759,010.40	DSRSA yet to appoint a contractor -0%	21-Jun-17
Zastron/Matlakeng: Building of a gatehouse, ablution facility and fencing of cemeteries (234979)	3,082,498.00	-	-	Project registered -0%	23-Oct-17
Rouxville/Roleleathunya : Construction of gatehouse, ablution facility and fencing at the cemeteries (MIS:243625)	2,758,083.00	-	-	Project registered -0%	6-Oct-17
<b>TOTAL</b>	<b>53,935,697.00</b>	<b>28,449,266.62</b>	<b>8,740,433.33</b>		

The current expenditure is 31% and the provincial target is 44%, therefore the municipality is 13% below the provincial target. The main reason for failing to meet the target is as a result of the additional R 11 000 000.00 from the DSRSA for the construction of the Itumeleng sports ground. A consultant is appointed and the municipality went out on tender for the appointment of a contractor. The municipality was later stopped from appointing a contractor by the DSRSA and it was indicated that a universal contractor data base system will be used for the appointment of the contractor by DSRSA. To date no appointment has been made and the project is currently 5 months behind schedule.

### 2.5.2 Integrated National Electrification Project

The municipality has no funding under the INEP program for the 2016/2017 financial year as there are no backlogs on household electrification currently. However the municipality is currently sourcing funding for bulk infrastructure upgrade.

### 2.5.3 Regional Bulk Infrastructure Grant

Mohokare LM has an allocation of R 35 000 000.00 for implementation of RBIG projects in the 2016/17 financial year.

The RBIG 2016/17 projects are listed below:

- Upgrading of the Rouxville WTW (Completion)
- Construction of a 27km long bulk water pipeline from the Orange River to Paisley dam in Rouxville.

Progress on the above mentioned projects is indicated on the table below:

<i><b>Project Description</b></i>	<i><b>Project value</b></i>	<i><b>Expenditure to Date</b></i>	<i><b>Status of the Project</b></i>	<i><b>Planned Completion</b></i>
Upgrading of the Rouxville WTW (Completion)	R 45 271 169.34 (Including completion)	R 38 793 073.48	Contractor placed on suspension. There is a newly appointed consultant who is currently busy with the design review following the termination of the previous consultant.	TBC once design review is concluded
Construction of a 27km long bulk water pipeline from the Orange River to Paisley dam in Rouxville.	R 73 555 000.00	R 58 142 524.68		
<b>TOTAL</b>	R 118 826 169.34	R 96 935 598.16		

## 2.5.4 Water Services Infrastructure Grant (WSIG)

Mohokare LM has received an allocation of R 30 265 000.00 from the Department of Water & Sanitation for the implementation of WSIG projects within its jurisdictions.

The following projects are approved for implementation in the 2016/17 financial year:

- The upgrading of the Zastron Water Treatment Works (WTW) and 2 raw water pump stations.
- Rouxville Borehole Development.

<i>Project Description</i>	<i>Project value</i>	<i>Expenditure to date</i>	<i>Project Status</i>	<i>Planned completion date</i>
The upgrading of the Zastron WTW & 2 raw water pump stations	R 27 265 000.00	R 8 447 953.15	On construction with 35% overall completion. The civil component of the pump stations is complete	11 April 2017
Rouxville Borehole Development	R 3 000 000.00	R 00.00	Pre-tender	21 April 2017
<b>Total</b>	<b>R 30 265 000.00</b>	<b>R 8 447 953.15</b>		

## 2.5 OPERATIONAL REPORTS

### Drinking Water Services

The service is measured by both water supply quantity and quality thereof. To achieve this, the Municipality is taking measurement of water abstracted till point of use utilizing bulk water meters and household's meters. The water is further tested from an approved laboratory two times a month in compliance with SANS 241.

#### *Quantity supplied in kilo liters – to network*

<i>Town</i>	<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
<i>Rouxville</i>	8540	4246	7310	6508	19580	18090
<i>Smithfield</i>	37650	35630	31300	38430	30550	30540
<i>Zastron</i>	75701	75699	87794	91675	95620	73111
<i>Total</i>	121891	115575	126404	136613	145750	121741

#### *Quality – Laboratory results*

Water quality compliance assessment for the three towns for the six months is therefore: Rouxville mid-year results

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Total Coliforms	Average
July	0	2	0	0	0
August	0	2	0	0	0
Sep	10	2	100	100	100
Oct	10	2	100	100	100
Nov	10	2	100	60	80
Dec	10	2	100	60	80
<b>TOTAL</b>	40	12			

**Smithfield results**

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Total Coliforms	Average
July	0	2	100	100	100
August	0	2	100	100	100
Sep	10	2	100	100	100
Oct	10	2	100	100	100
Nov	10	2	100	100	100
Dec	10	2	100	100	100
<b>TOTAL</b>	40	12			

**Zastron results**

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Total Coliforms	Average
July	0	2	0	0	0
August	0	2	0	0	0
Sep	10	2	100	100	100
Oct	10	2	100	100	100
Nov	10	2	100	100	100
Dec	10	2	100	100	100
<b>TOTAL</b>	40	12	600	400	4000

### Challenges

The Municipality has been struggling to supply water in all three towns due to the prevailing drought. The towns that were hugely affected are Rouxville and Smithfield and this led to a resolution made by Council to implement water restrictions. Water shedding schedule has already been implemented whereupon water is only opened for certain hours.

To make up for such, water is currently been supplied through Jojo-Tanks to high elevated areas where water does not normally reach. Surface water is further supplemented by underground water in a form of boreholes supplied water. In Smithfield three (3) additional boreholes has been drilling but are however awaiting installation of electricity by Eskom.

### Sanitation Services

The Municipality has been having challenges of sewer spillages in Refengkhotsa and Phomolong due to collapsed mainlines and misuse of the system by community. In order to rectify the above the Municipality went out on tender for the upgrading of portion of these mainlines. To date about 130 meters of these pipeline has been upgraded from 150 mm to 315 mm diameter pipeline.

The Municipality has further gone out on tender for procurement of a jet machine for regular maintenance to be carried out by internal staff. The Municipality is also envisaging completion of the Zastron Waste Water Treatment plant before end of the current financial year.

### Quality – sample results

Regular test are conducted on sewage effluent in compliance with SANS 241. Samples are taken twice a month and the results are tabled below:

The Green drop waste water quality for the three towns for the six months is therefore:

**Rouxville waste water results**

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Feecal Coliforms	Average
July	0	2	0	0	0
August	0	2	0	0	0
Sep	2	2	100	100	100
Oct	2	2	50	50	100
Nov	2	2	100	100	100
Dec	2	2	100	100	100
<b>TOTAL</b>	8	12			

**Smithfield waste water results**

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Total Coliforms	Average
July	0	2	0	0	0
August	0	2	0	0	0
Sep	2	2	0	0	0
Oct	2	2	0	0	0
Nov	2	2	100	100	100
Dec	2	2	100	100	100
<b>TOTAL</b>	8	12	33,33%	33,33%	33,33%

**Zastron waste water results**

Month	Total number of samples	Sampling Frequency	% Achieved E coli	% Achieved Total Coliforms	Average
July	0	2	0	0	0
August	0	2	0	0	0
Sep	2	2	100	100	100
Oct	2	2	50	50	50
Nov	2	2	0	0	0
Dec	2	2	50	50	50
<b>TOTAL</b>	8	12	33,33%	33,33%	33,33%

## 2.7 Roads and Storm Water

The Municipality continued to prioritise upgrading of access roads within its three towns. These projects are implemented through MIG funding as part of Capital investment on infrastructure. The PMU unit is currently upgrading the 5 km access road in Smithfield and progress is at 70%.

The Municipality is currently facing challenges in the maintenance of internal roads due to lack of road maintenance machinery. Minimum work is done utilising available equipment for repairs on critical areas as some of the available tractors are utilised to transport drinking water. However the Municipality is still pursuing the department of Police, Roads and Transport for assistance in this regard.

Maintenance of storm water channels is currently performed under the Extended Public Works Program and Community Works Program in all three towns. Gravel was utilised to close pot-holes as tar was only delivered in Mid-December 2016

## 2.8 Electricity supply services

The Municipality and Eskom are both the electricity supply authority however; the Municipality has outsourced this service to CENTLEC on its areas. The Municipality did not perform any new connections under the Integrated National Electrification Program as there was no backlog.

Below is a list of prioritized projects

### 2.8.1 Projects

### 2.8.1 Identified refurbishment projects

Project Name	Year of Implementation	Capacity (kVA)	Estimated Cost Vat Excl.
<b>Zastron: Refurbishment of Montagu Dam 11kV Feeder: Phase 1</b>	<b>2016/2017</b>		<b>R200,000.00</b>
Zastron: Establishing of a new 11kV Ring Feeder	2017/2018	11	R 1,280,000.00
Zastron: Replacing of existing 11kV switchgear	2017/2018		R 25,200,000.00
Zastron: Construction of the primary substation building next to Ou Kragstasie Substation	2017/2018	500	R 650,000.00
Zastron: Installation of the primary substation switchgear – Ou Kragstasie	2017/2018		R 3,000,000.00
Smithfield: Replacement of Existing 11kV Switchgear	2017/2018		R 3,300,000.00
Smithfield: Establishing of a new 11kV Ring Feeder	2017/2018		R 1,900,000.00
Smithfield: Replacement of Main Incomer From Eskom	2017/2018		R 5,000,000.00
Smithfield: Replacement of 11kV Cables and OHL	2017/2018		R 2,800,000.00
Smithfield: Establishment of the primary substation building next to the Eskom Metering Point	2018/2019	500	R 650,000.00
Smithfield: Installation of the primary substation switchgear - Eskom Metering Point	2018/2019		R 3,500,000.00
Smithfield: Installation of the primary cable – Eskom Metering Point	2018/2019		R 1,750,000.00
Rouxville: Extension of 22kV overhead line feeder from Erf 993 to Erf 164 in Roleleathunya	2018/2019	3 600	R 1,500,000.00
Rouxville: Establishing of a new 22kV Ring Feeder	2018/2019		R 1,200,000.00
Rouxville: Replacement of Existing Primary 22kV Switchgear	2020/2021		R 1,100,000.00
Rouxville: Replacement of existing Primary 22kV Cables and OHL	2020/2021		R 4,800,000.00
<b>Total</b>			<b>R 57,630,000.00</b>

In **2016/2017 FY**, budget has a capital of R380, 00.00. We plan to refurbish the Montagu Dam 11kV overhead line Phase 1. All materials were purchased and the construction of the MV line will commence in the **2016/2017 FY. Design of project still in progress**

Project Name	Year of Implementation	Capacity (kVA)	Estimated Cost Vat Excl.
Zastron: Refurbishment of Montagu Dam 11kV Feeder: Phase 1	2015/2016		R200,000.00

**CHAPTER 3**

**PLANNING AND LOCAL ECONOMIC DEVELOPMENT**

**3. APPROVED APPLICATIONS RECEIVED FROM THE COMMUNITY**

**BUILDING PLANS REPORT**

**3.1 Building plans received: 13**

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	approved	not approved	Comments
11/07/16	19010261 R200	Mr. Ncembu	94	Matlakeng		X	x		
01/09/16	19010953 R477	Mr. Nyamataki	241	Zastron	x				
18/07/16	EFT	OVK	2/48	Zastron	X new tanks		x		
18/07/16	13014281 R200	Thandi	70	Zastron		X Flats		x	Needs to rezone to erect flats
30/09/16	EFT	J. Kraay	30	Smithfield				X	Consolidation of erven needed
04/10/16	19011338 R477	K. Mothibela	1072	Roleleathunya	x		x		
04/10/16	19009933	Me. Hlalele	N26	Roleleathunya	x			x	No firewall between house and garage

DATE	INVOICE	SURNAM	ERF	TOWN	NEW PLAN	EXTENSIO	approved	not approved	Comments
06/10/2016	Not paid	Mr. Khalimane	1354	Greenfields		x		x	Not according to National Building Regulations and Building Standards Act no 103 of 1977
11/10/16	19011528 R477	G. Solomon	68	Zastron	x		X		
19/10/16	13014766 R477	L.P. Moleleki	1099	Roleleathunya				x	Entrance not indicated No hatching Roof pitch not indicated
14/11/16	13015097	NA.A Mankayi	1688	Matlakeng		x	X		
8/11/2016	EFT	J. Malan	90	Smithfield		x	X		
12/12/16	EFT	G.J. Marais	720	Zastron		x	X		

### 3.2 ZONING AND REZONING, CONSOLIDATION, SUBDIVISION

#### 3.2.1 APPLICAITONS RECEIVED

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
1/55 ZASTRON	MOTHEO COLLEGE	Rezoning	Through e lodgement – awaits MPT sitting
704 ZASTRON	ASSEMBLIES OF GOD CHURCH	Rezoning and removal of restrictions	Through e lodgement – awaits MPT sitting
869 SOMIDO PARK	V.K. DUDA	Temporary consent use	Through e lodgement – awaits MPT sitting

#### 3.2.2 ZONING CERTIFICATES ISSUED

12 certificates were issued

### 3.3 LIQUOR LICENSE APPLICATIONS

DATE	ERF NO.	OWNER	REQUEST FOR:	ACTION TAKEN
26/07/2016	Goedemoed prison	Goedemoed prison	Pub	Recommended to Liquor Board
12/08/2016	686 Matlakeng	N. Lekhula	Oudehuis Tavern	Not recommended to Liquor Board
15/09/2016	Letsatsi Game Lodge	Isak Nel Family Trust	Bar and restaurant	Recommended to Liquor Board
05/10/2016	42 Zastron	T.C. Mqina	Cassalis Bottlestore	Recommended to Liquor Board
14/12/2016	N403 Roleleathunya	S.J Kalake	Le Joint Tavern	Not recommended to Liquor Board
14/12/2016	797 Somido Park	N.S. Mngameni	Khatelopele Pub	Not recommended to Liquor Board

### **3.4 Involvement in other projects and Business plans**

#### **3.4.1 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT NO16 OF 2013. (SPLUMA)**

This Act's implementation date was 1 July 2016. All new land use applications will be evaluated according to the new Act as can be seen in 2.3.

#### **3.4.2 Land Use Scheme**

All town planning schemes will be replaced within the next 4 years with a Land Use Scheme that will be in line with SPLUMA principles. The municipality is being assisted in this process by Cogta as well as Pula. This is a comprehensive exercise as to ensure that all regulations, needs and rights of individuals are adhered to and protected.

#### **3.4.3 DISASTER MANAGEMENT PLAN**

The Town Planning division was requested to draw up a Mohokare Disaster management plan with the assistance of other stakeholders. Although Disaster Management is the competency of the Xhariep District, the local municipality needs to have a local plan with the basic information at hand in case of a disaster. This is seen as aid to the Xhariep Disaster Plan.

#### **3.4.4 SPATIAL DEVELOPMENT FRAMEWORK**

Work has already started on the new SDF that goes with the IDP. MISA wants to assist the municipality in this endeavour. A first meeting was already held with municipalities on the new IDP and SDF with guidelines given on what is needed to be captured within said documents.

#### **3.4.5 FARMER PRODUCTION SUPPORT UNIT**

Land (erf 4195 Zastron) has been identified for a Farmer production support unit that goes hand in hand with the Agripark developments countrywide. Xhariep has been identified as an agricultural district in need of government assistance and job creation. As Xhariep is outside of the 200 km radius of the Springfontein agripark, a decision was made to provide the area with a FPSU.

#### **3.4.6 SUBDIVISION OF MUNICIPAL PROPERTIES**

A need has been identified for medium income development and a decision was taken to look into Extention 10, Zastron for such development as well as Municipal erven in Smithfield that are big enough to be subdivided into smaller units and sold to the general public.

#### **3.4.7 POLICIES IN LINE WITH SPLUMA**

Policies need to be developed in line with SPLUMA to assist in land use regulation and management :

Guest house policy

Conservation Policy

Liquor license application policy

### **3.5 Measures taken to improve performance and major efficiencies delivered.**

Weekly reports, formats and tick sheets were introduced by the town planning division to organize the work done on a daily basis and to ensure continuity as well as follow-ups to queries, problems and requests in terms of town planning.

With the approval of the Spatial Development Plan (SDF) the town planning division has the tools to focus on development and land use to the betterment of the local communities, eg. Development of hawker stalls to regulate informal trading, assisting the Local Development division in terms of the location of possible projects which will assist in terms of job creation and development of the local communities eg. Farmer Production Support unit.

Growth and development this department was part of is:

- New Mooifontein school being built in Erf 3675
- Rouxville Clinic building project in Roleleathunya
- Upgrade of the N6 by SANRAL
- Variation on the existing servitude for the pipeline from Montagu dam will lead to the registration of an additional servitude

### **3.6 Attach trends, comments and variances**

One of the biggest challenges experienced by the town planning division is the search for possible areas to develop more residential sites as there is such a huge need experienced. The three existing new developments are still in need of basic services and the Dept. Technical services have reported in terms of MIG for funding to develop the necessary infrastructure.

There is a need for church, business and crèche sites to address the needs of the community.

Adherence to building regulations is a huge challenge as people are not clued up on what is expected of them. Structures are built without building plans. Education is necessary to explain the importance thereof. A booklet has been devised and a building plan committee established to streamline the approval process.

Control of hawkers and informal businesses is proving to be a huge challenge. Erven are identified for development of a site for hawkers with formalized structures to accommodate hawkers and their businesses.

The amount of liquor license applications received and the current way it is dealt with between the Liquor Board and the municipality asks for a policy to be developed in terms of land use and regulating the opening of such outlets.

## **3.8 LOCAL ECONOMIC DEVELOPMENT**

### **LED UNIT**

Municipalities have a constitutional mandate to promote Local Economic Development (LED). Section 153 of the constitution states that: A municipality must structure and manage its administration, budgeting and planning process to give priority to the basic needs of the community, and to promote the social and economic development of the community.

The context and the direction for the role of municipalities in economic development is provided in the White Paper on Local Government. It states that: Local government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities. In order to realize its vision of local economic development the municipality has identified the following key economic sectors.

- Tourism Development
- Cooperatives and SMMEs Development
- Manufacturing
- Small Scale Mining
- Agriculture and Agro-processing

### **TOURISM DEVELOPMENT**

Tourism has been identified as one of the key future growth sectors in the municipality and the town of Zastron has been selected to pilot a private partnership project on tourism growth. In 2015 the LED Unit proposed that the municipality must advertise and invite business proposals for the: Upgrade and operation of the Zastron caravan park and chalets including the development of surrounding land for tourism activities. The matter was then resolved and concluded during the month of December 2016 where a successful bidder was appointed with clear set of conditions regarding short, medium and long term implementation of the project. The successful bidder is still to sign a service level agreement with the municipality upon which formal appointment and announcements can be made.

### **XHARIEP HERITAGE FESTIVAL**

In September 2016 Mohokare Local Municipality hosted Xhariep Heritage Festival at the town of Zastron. Though it was for the first time the vent was hosted locally; it was termed a huge success given the attendance and the fact that all local accommodation businesses were fully booked. The revellers also contributed positively towards the uplifting of local economy through buying of food and assortment of beverages.

## **COOPERATIVES AND SMMEs DEVELOPMENT**

The Department of Rural Development and Land Reform through its partnership with the LED Unit has been able to grant support to one of our local cooperatives based in Rouxville. On 17 July 2016 the department sent a formal communication to the LED unit informing the office that they have approved an application by Mohokare Innovation Primary Cooperative to purchase on their behalf a graphic design equipment to the value of R450 000. Service provider has been appointed by the department and the said equipment has been procured and is only awaiting delivery on the date still to be decided and communicated by the department. During the month of August 2016 the Department of Economic Small Business Development Tourism and Environmental Affairs delivered a mobile kitchen to one of our SMMEs also based in Rouxville.

## **DRDLR ROADSHOWS**

In its endeavour to giving support to local SMMEs, the Department of Rural Development and Land Reform in conjunction with the LED Unit conducted a business expo on 19 September 2016. The main objective of the expo was to present to local SMMEs the mandate and the kind of support the department can provide to small businesses. The expo was coupled with filling of application forms for different projects falling within the mandate of the department and it covered all the three units of the municipality.

## **DESTEA: ONE STOP BUSINESS EXPO**

On 22 September 2016 the Department of Economic Small Business Development Tourism and Environmental Affairs held a one stop business expo in Mohokare. Other strategic stakeholders present on the said day were Department of Rural Development and Land Reform, Department of Public Works and National Development Agency. Following presentations each department held one on one sessions with different cooperatives with a view of establishing progress made, challenges and the kind of intervention strategies that could be employed in order to take cooperatives forward.

## **MEETING WITH DMR**

In its endeavour to give support to local SMMEs and ensure local economic development and job creation, council approved several applications for small scale mining. On 21 September 2016 the LED Unit convened a meeting with officials from Department of Mineral Resources to discuss ways and means of formalizing the sector and also the role the department can play in assisting the successful small scale mining applicants. The SMMEs were ultimately advised as to which channels they must follow in order to secure the Environmental Impact Assessment report which is a pre-requisite for obtaining the small scale mining permit.

## **STR PROGRAM: VISIT TO AMAHLATHI LOCAL MUNICIPALITY**

The STR (Small Towns Regeneration) program is a national SALGA initiative that is intended to bring economic vibrancy in small towns. The program was first piloted at Amahlathi Local Municipality in the Eastern Cape and later extended to Xhariep District in the Free State. In the district the program is to be piloted in Zastron, Koffiefontein and Redersburg. Through SALGA arrangements the three municipalities visited Amahlathi municipality on 10 October 2016 for information sharing expedition. The information and experience gathered at Amahlathi will then be used during the implementation of the program in our locality

## **ROAD SHOWS: PROVINCIAL TREASURY**

On 25, 26 and 27 October 2016 the Provincial Treasury, Municipal Supply Chain as well as the LED Unit conducted road shows in all the three units of Mohokare. The purpose of the sessions was to register local SMMEs on the Centralised Suppliers Database (CSD). This arrangement will make it easier for government and sector departments to reach out to suppliers of a specific area when there is a tender to be issued out in that area and it also makes it easier for suppliers to search for tenders and apply on line. It also reduces duplication of effort and cost for both supplier and government while enabling electronic procurement processes. After capturing the information on central supplier database and verifying everything, a unique supplier number and security code will be given to the supplier. Suppliers will then be required to keep their data updated and should confirm at least once a year that their data is still current and updated.

## CORPORATE SERVICES DEPARTMENT

### 4. CORPORATE SERVICES

#### 4.1 Human Resource Management

##### 4.1.1 Employment Equity

In terms of complying with Employment Equity, the municipality has made significant strides in ensuring representation at the different levels within the organization, and has managed to compile an Employment Equity Plan during the 2015/2016 financial year. The table below shows the employment equity statistics for the municipality as at July- December 2016.

Table 1.1: Employment Equity Statistics

<b>Employment Equity Category</b>	<b>Actual Employee statistics from Jul-Dec 2016</b>
% of staff employed in the highest levels of management that are black ( African, Indian and coloured)	<b>100%</b>
% of staff employed in the highest levels of management that are women	<b>25%</b>
% of staff employed in different categories and levels that are people with disabilities	<b>1.12%</b>
% of staff employed in different categories and levels that are black people ( African, Coloured and Indian	<b>97.75%</b>

The municipalities employment equity plan was approved by the Department of Labour on 23 March 2016 for the next five (5) years from 01 March 2016 with the end date of 28 February 2021.

The Municipality endeavors to achieve equality in the workplace by the following overarching objectives:

- To work towards creating a balanced profile of employees within the municipality through all occupational levels in the workforce.
- To eliminate any discriminatory practices in terms of race, gender or disability.
- To provide for the municipality's present and future requirements for skilled staff in line with Regulations on Minimum Competency Levels for Local Government: Municipal Finance Management Act 56 of 2003
- To achieve this by implementing, monitoring and evaluating appropriate measures aimed at redressing the effects of the past imbalances created by discriminatory employment policies and practices.
- Implementing Affirmative Action Measures to address the disadvantages in employment experienced by black people, women and people with disabilities, in order to ensure their equitable representation in all occupational levels in the workplace.
- Ensuring the Municipality's policies, procedures, practices and the environment are non-discriminatory, leading to labour harmony and reduction of disputes.
- Ensuring a more representative and trained workforce that will support our diverse customers.

The Municipality has gone through great strides to fill section (56) management positions. The following positions have been filled: - Municipal Manager, Chief Financial Officer, Director Technical Services, and Director Corporate Services. The position of Director Corporate Services is occupied by a female.

#### **4.1.2 Learnership and Internships**

In this first six months (July-December 2016) there has not been any learner ships or internships piloted by the municipality.

### 4.1.3 Skills Development

The following training was conducted in 2016/2017 for employees during the first six months

(July-December 2017) of the financial year and more employees still to be trained:

<b>NAME OF LEARNER</b>	<b>IDENTITY NUMBERS</b>	<b>TRAINING INTERVENTION</b>	<b>DATE ENTERED</b>	<b>DATE COMPLETED</b>	<b>SERVICE PROVIDER</b>	<b>PROGRESS</b>
B. Boyiki	640115	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
M. De Jager	860821	First Aid NQFL1				Certified
F.J. Goliath	650423	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
N. Kambi	730512	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
S.A. Khumalo	790823	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
k. Lekhelebane	840317	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
E. Manjiana	890615	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
M. Mashoai	730107	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
H. Mofana	831221	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
T. Mokhanya	730724	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
S. Mosole	870716	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
D.M. Motale	820924	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
V.Ndulula	790424	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
FH Rasmeni	720427	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
B.Ratsoana	710831	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
T.J. Sephaphathi	660827	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
N.B Shiya	780123	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
E. Skhosana	730122	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
B.A Tabane	710227	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified
Z. Tyokolo	830214	First Aid NQFL1	01/11/2016	02/11/2016	St John	Certified

D.Matsoso	830223	Leave Module Training & Payroll Basic Training	05/12/2016	07/12/2016	Sage VIP	Certified
Z.G Ncinithwa	830930	Leave Module Training & Payroll Basic Training	05/12/2016	07/12/2016	Sage VIP	Certified
M.M. Loape	820921	Diploma in Public Administration and Management	18/07/2016	In Progress	UNISA	In progress

#### 4.1.4 Workplace Labour Relations

Employers have a right, to maintain discipline in the workplace. This right is recognized in the LRA, which contains a Code of Good Practice: Dismissal setting out broad guidelines on dismissal for misconduct, incapacity and poor work performance, but which is relevant also to the maintenance of discipline.

The function of discipline in the employment context is to ensure that individual employees contribute effectively and efficiently to the goals of the common enterprise. Production and the provision of services will clearly be impeded if employees are free to stay away from work when they please, to work at their own pace, to fight with their fellow employees, or to disobey their employers instructions. Hence it is the right and duty of employers to ensure that their employees adhere to reasonable standards of efficiency and conduct.

The table below outlines all cases during the period under review;

July 2016

DEPARTMENT	CHARGE/ MATTER	VERDICT/ STATUS	LOCATION
Technical Service Department	Theft or illegal possession of the municipal property	sanction of ten (10) days suspension without pay was imposed on the employee	Rouxville
Community Services Department	Bringing Municipality into disrepute	The matter settled and employee was reinstated	Zastron
Finance Department	Disrupting operation of the employer & gross insubordination	The matter was settled and employee was reinstated	Zastron
Security unit	Refusal to sign new contracts and they then lodged dispute of unfair dismissal with SALGBC	The matter was settled and employees were reinstated	Zastron
Technical Service Department	abscondment	Pending	Rouxville

October 2016

DEPARTMENT	CHARGE/ MATTER	VERDICT/ STATUS	LOCATION
Technical Services	abscondment	Pending	Smithfield
Finance Department	Two counts of failure to perform duty diligently	Pending	Zastron

## CHAPTER 5

### FINANCIAL VIABILITY

#### **5. Financial Health Overview**

5.1 Introduction

5.2 Overview of financial performance

5.2.1 Operating income

5.2.2 Operating Expenditure

5.2.3 Personnel Expenses

5.2.4 Debtors Age analysis

5.2.5 Government Grants

5.3 General corrective measures

#### **5.1 Introduction**

Legislative requirement in terms of MFMA section 72 and 54.

In terms of section: 72(1), (2) and (3) of the Municipal Finance Management Act 56 of 2003, (MFMA), the budget and performance assessment report for the period ending 31 December 2016 *must be compiled and tabled to council as per legislated time-frames.*

#### **5.2 Overview of Financial Performance**

The municipality's bank account opened with a favorable balance of R 5 777 526.18 on 01 July 2016 and closed with a positive balance R 14 765 204.52. on 31 December 2016. The cashbook opened with a favorable balance of R 5 777 526.18 on 01 July 2016 and closed with a favorable balance of R 2 063 868.14 on 31 December 2016.

The following table summarizes the overall position on the capital and operating budgets in relation to the municipality's SDBIP. The SDBIP is a detailed plan approved by the Mayor in terms of section 53(1) (c) (ii) of the MFMA for implementing the budget and which must indicate:

- a) Projections for each month of:
  - i. Revenue to be collected, by source; and
  - ii. Operational and capital expenditure by vote;
- b) Service delivery targets and performance indicators for each quarter; and

- c) Any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(i)(c);

**TABLE 1: OVERALL POSITION OF CAPITAL AND OPERATING BUDGETS**

Table 1 :Overall Position of Capital and Operating Budgets			
	Capital Expenditure	Operating Income	Operating Expenditure
Annual Budget	R 95 104 900	R 243 704 364	R 167 231 906
Plan Budget to Date	R 47 552 450	R 121 852 182	R 83 615 953
Actual (31 December 2016)	R 35 435 358	R 124 129 748	R 47 200 347
Variance to SDBIP	R 12 117 092	R (2 277 566)	R 36 415 606
Under/ (Over) perform	25%	-2%	44%

TABLE1 above shows that the municipality's Capital Expenditure is underperforming by 25%. Also the municipality is over-performing on its Operating Income by 2%. The municipality has spent 44% less of its operating budget as planned at this time.

### 5.2.1. Operating Income

The following table displays the operating income per revenue source from 01 July - 31 December 2016 (comparing revenue budget against revenue actually billed)

**TABLE 2.1: REVENUE BY SOURCE**

Revenue Source	Annual Budget	Budget Year to Date	Actual Year to Date	Variance Actual vs Budget Year to Date	% Variance
Property Rates	7 032 989.59	3 516 494.80	3 017 029.90	499 464.90	14%
Electricity	33 532 249.03	16 766 124.52	-	16 766 124.52	100%
Water	9 749 533.70	4 874 766.85	1 981 808.54	2 892 958.31	59%
Sanitation	8 982 669.31	4 491 334.66	4 544 350.06	-53 015.40	-1%
Refuse Removal	5 727 824.64	2 863 912.32	2 783 365.87	80 546.45	3%
Traffic Fines	4 500 000.00	2 250 000.00	1 376 093.15	873 906.85	39%
Sundry Income Total	15 876 832.57	7 938 416.29	3 978 653.43	3 959 762.86	50%
<b>Total</b>	<b>85 402 098.84</b>	<b>42 701 049.42</b>	<b>17 681 300.95</b>	<b>25 019 748.47</b>	<b>59%</b>

The main reasons for the significant variances are:

1. Electricity – Electricity's billing is done at Centlec, therefore the billed amount will be shown in our financial system as soon as the consolidated amounts

2. are updated in the system.
3. Property Rates – The billing of Property Rates is only 14% less than the budget, therefore Property Rates was under budgeted.
4. Water – The billing of Water is under performing by 59%, this is due to lack of water (draught) in all our three towns
5. Other Services Charges – The billing of Sanitation and Refuse Removal is slightly the same with the budget, so budgeting thereof was accurate.
6. Traffic Fines –The traffic fines was budgeted so high because the municipality has increased the traffic division’s capacity by hiring 4 interns. This has helped increase the collection of traffic revenue from R 130,040 in 2015/16 financial year to R 1,376,093.15 in 2016/17 financial year.
7. Sundry Income – The budgeted figure includes expected cash flow incomes (Cash flow based) such as VAT receivable. VAT’s accounting treatment is to account for it against the VAT receivable. Therefore the large difference between the Sundry Income budgeted for and the actual Revenue accounted for. There is currently a VAT audit underway and as soon as this is finalized, the amount receivable for VAT will be refunded to the Municipality.

The following table displays the operating income per revenue source from 01 July - 31 December 2016 (comparing revenue actually billed against revenue actually received)

**TABLE 2.2: REVENUE BY SOURCE**

Revenue Source	Annual Budget	Budget Year to Date	Actual Year to Date (Actual Billed)	Actual Year to Date (Actual Received)	Actual Billed vs Actual Received	% Collection Rate
Property Rates	7 032 989.59	3 516 494.80	3 017 029.90	1 933 405.46	1 083 624.44	64%
Electricity	33 532 249.03	16 766 124.52	-	-	-	0%
Water	9 749 533.70	4 874 766.85	1 981 808.54	898 837.69	1 082 970.85	45%
Sanitation	8 982 669.31	4 491 334.66	4 544 350.06	1 007 132.18	3 537 217.88	22%
Refuse Removal	5 727 824.64	2 863 912.32	2 783 365.87	470 440.06	2 312 925.81	17%
<b>Total</b>	<b>65 025 266.27</b>	<b>32 512 633.14</b>	<b>12 326 554.37</b>	<b>4 309 815.39</b>	<b>8016738.98</b>	

Apart from Electricity, the collection rate of other revenue sources is low. The main reasons for the significant variances are:

1. Electricity – Centlec’s consolidated amounts were not yet updated in the accounting system therefore electricity revenue shows an actual amount of Rnil. These amounts are to be updated once we receive a draft trial balance from Centlec SOC.
2. Other services – Property Rates, Water, Sanitation and Refuse Removal are under collected mainly because the Credit Control Policy hasn’t been fully implemented. Several debtors have been handed over for collection to attorneys.

### 5.2.2 Operating Expenditure

The following table shows the actual expenditure for each department against the budgeted expenditure for the first six months of the 2016/17 financial year.

**TABLE 3: OPERATING EXPENDITURE PER DEPARTMENT**

Department	Annual Budget	Budget Year to Date	Actual Year to Date	Variance - Actual vs. Budget Year to Date	Variance
Council	R 9 060 221.78	R 4 530 110.89	R 3 356 128.86	R 1 173 982.03	26%
Municipal Manager	R 5 896 451.49	R 2 948 225.75	R 2 894 491.82	R 53 733.93	2%
Dept. Corporate Services	R 11 476 631.99	R 5 738 316.00	R 5 480 506.06	R 257 809.94	4%
Dept. Financial Services	R 26 849 202.01	R 13 424 601.01	R 11 956 127.38	R 1 468 473.63	11%
Dept. Community Services	R 22 148 999.93	R 11 074 499.97	R 7 339 887.28	R 3 734 612.69	34%
Dept. Technical Services	R 91 800 398.93	R 45 900 199.47	R 16 173 205.37	R 29 726 994.10	65%
<b>Total</b>	<b>R 167 231 906.13</b>	<b>R 83 615 953.07</b>	<b>R 47 200 346.77</b>	<b>R 36 415 606.30</b>	<b>43.55%</b>

From the above table it can be seen that the Operating Expenditure of the municipality is underperforming at 43.55%. This is mainly because the following departments are under spending: Council (26%), Financial Services (11%), Community Services (34%) and the Technical Services (65%). The under spending is as a result of the following votes:

#### Technical Services

- ✓ Depreciation has been budgeted to be at R 24,329,894.40 and it hasn't been calculated.  
Depreciation for the current financial year will be calculated at the end of the financial year.
  
- ✓ Debt Impairment has been budgeted to be at R 9,105,945.48 and it hasn't been calculated.  
Debt Impairment is calculated once in a year, currently debtors are taken to attorneys and when feedback is received from attorneys, decision will be taken on impairment and write-offs.
  - ✓ Electricity division votes: Repairs and Maintenance votes such as Street lights, Plant & Equipment, Network and Meters amounting to R 1,305,119.30 hasn't been spent 100%  
This is mainly because a lot of expenditure is incurred at Centlec, and the transactions will only be passed through our ledger at the end of the financial year.

### Council

- ✓ Membership vote as at 31 December 2016 had only spent 33% of its half-year budget; this is mainly because SALGA membership expenditure had been misallocated on votes. This mistake will be rectified and expenditure will be allocated on the correct vote.
  
- ✓ Only 35% of the half-year budget of Rental vote has been spent at the end of the first half of the financial year. This is because the municipality stopped paying rental for the Mayor's car and bought a new Mayoral car
  
- ✓ The budget of Disaster Fund vote at half-year was R 30,000 and only 4% of it has been spent to date. This is because the municipality hasn't experienced any disasters for the past six months.

### Financial Services

- ✓ Depreciation and Debt Impairment has been budgeted to be R 2,195,499.60 and R 2,480,139.56 respectively for this financial year and it hasn't been calculated, mainly because Depreciation and Debt Impairment are calculated at the end of the financial year.

### Community Services

- ✓ Only 1% of the mid-year budget of Fuel & Oil vote that amounts to R 472,500 has been spent. This is because the vote that is used mostly to allocate the expenditure of Fuel & Oil is the vote budgeted under Finance Department. Clarity must be given during the adjustment budget process whether the vote that must be used is the one under Community Services or Finance Department.
  
- ✓ Depreciation and Debt Impairment has been budgeted to be R 3,323,149.20 and R 3,113,678.28 respectively for this financial year and it hasn't been calculated, mainly because Depreciation and Debt Impairment are calculated at the end of the financial year.

## **5.2.3 Personnel Expenditure**

In terms of Section 66 of the MFMA, all expenditure that the municipality incurred on staff salaries, wages, allowances and benefits must be reported to the Council.

The following table shows actual expenditure per department on staff salaries, allowances and other benefits.

**TABLE 4: PERSONNEL EXPENDITURE PER DEPARTMENT**

<b>Department</b>	<b>Annual Budget</b>	<b>Budget Year to Date</b>	<b>Actual Year to Date</b>	<b>Variance - Actual vs. Budget Year to Date</b>	<b>Variance</b>
Council	7 184 621.78	3 592 310.89	2 580 379.40	1 011 931.49	28%
Municipal Manager	5 050 851.49	2 525 425.75	2 617 301.79	(91 876.04)	-4%
Dept. Corporate Services	8 159 939.79	4 079 969.90	3 616 855.45	463 114.45	11%
Dept. Financial Services	6 775 610.98	3 387 805.49	4 856 463.71	(1 468 658.22)	-43%
Dept. Community Services	14 143 888.28	7 071 944.14	6 894 013.53	177 930.61	3%
Dept. Technical Services	23 408 889.20	11 704 444.60	12 019 747.19	(315 302.59)	-3%
<b>Total</b>	<b>64 723 801.52</b>	<b>32 361 900.76</b>	<b>32 584 761.07</b>	<b>(222 860.31)</b>	<b>-1%</b>

There is an over spending of R 222,860.31 as can be seen on TABLE4. This is because of over spending in the following votes:

FINANCIAL SERVICES

The mid-year budget of Telephone Allowance is at R 5,700 and its actual to date is R 21,200 which is 273% more than the anticipated budget, and the actual expenditure to date of Temporary Workers’ vote is at R 369,877.53 and it wasn’t budgeted for. This is due to the fact that 17 interns were absorbed into the system after the 2016/17 has been done. This expenditure will be covered in the 2016/17 Adjustment Budget.

TECHNICAL SERVICES

The over-spending in this department is mainly on Overtime. Overtime on Waste Water division is over-spent by 57%, on Roads & Streets division is over-spent by 229% and on Water division is over-spent by 82%.

Other employees were rewarded benefits such Cellphone Allowance during the financial year, some of those benefits were not accounted for in the Approved Budget and this will be rectified through an Adjustment Budget.

## 5.2.4 Debtors Age Analysis

TABLE 5: DEBTORS AGE ANALYSIS

Revenue Source	0 - 30 Days	31 -60 Days	61 - 90 Days	91 - 120 Days	More than 120 Days	Total
Property Rates	R 742 617.76	R 716 209.54	R 1 106 373.98	R 162 455.83	R 9 911 198.01	R 12 638 855.12
Water	R 2 412 078.65	R 1 576 881.10	R 3 731 170.65	R 2 018 144.75	R 49 233 483.25	R 58 971 758.40
Electricity	R -	R -	R -	R -	R 1 595.44	R 1 595.44
Sanitation	R 848 206.03	R 820 761.37	R 775 795.66	R 817 802.30	R 30 208 178.18	R 33 470 743.54
Refuse	R 521 732.47	R 508 837.84	R 493 501.48	R 538 077.32	R 22 243 113.64	R 24 305 262.75
Housing	R 68 002.00	R 66 773.66	R 63 572.19	R 67 997.75	R 1 853 739.60	R 2 120 085.20
Other	R 15 049.88	R 14 936.14	R 14 779.55	R 29 059.62	R 6 888 549.83	R 6 962 375.02
<b>Balance as at 31 Decem</b>	<b>R 4 607 686.79</b>	<b>R 3 704 399.65</b>	<b>R 6 185 193.51</b>	<b>R 3 633 537.57</b>	<b>R 120 339 857.95</b>	<b>R 138 470 675.47</b>

It is a known fact that there is a high unemployment rate within the jurisdiction of Mohokare Local Municipality. For this reason, the debtors remain outstanding for long periods hence debtors over 120 days account are over 80% of the debtor's book as can be seen in TABLE 5. However the municipality is currently handing over all long outstanding accounts in order to assist with the implementation of the credit control and debt collection policy of the Municipality.

## 1.2.5 Government Grants

TABLE 6: GOVERNMENT GRANTS

Grants	Gazetted	Budget	Roll Over	Amount Received	Expenditure to Date	Amount Available	Under/Over Performance
<b>National Government Grants</b>							
Equitable Share	R 54 472 000.00	R 54 472 000.00	R -	R 39 854 000.00	R 39 854 000.00		0%
Municipal Infrastructure Grant	R 28 429 000.00	R 28 429 000.00		R 17 815 000.00	R 8 740 433.30	R 9 074 566.70	-51%
Municipal Systems Improvement Grant	R -	R -		R -	R -	R -	0%
Financial Management Grant	R 1 825 000.00	R 1 825 000.00		R 1 825 000.00	R 525 405.90	R 1 299 594.10	-71%
Water Services Infrastructure Grant	R 30 265 000.00	R 30 265 000.00		R 24 212 000.00	R 7 755 737.24	R 16 456 262.76	-68%
Regional Bulk Infrastructure Grant	R 35 000 000.00	R 35 000 000.00		R 8 175 243.32	R 8 175 243.32	R -	0%
Integrated National Electrification Grant	R -	R -		R -	R -	R -	0%
Expanded Public Works Programme	R 1 000 000.00	R 1 000 000.00		R 250 000.00	R 309 981.75	R (59 982)	24%
<b>Total</b>	<b>150 991 000.00</b>	<b>150 991 000.00</b>	<b>-</b>	<b>92 131 243.32</b>	<b>65 360 801.51</b>	<b>26 770 441.81</b>	<b>-29%</b>

There is an under spending of 29% on Government Grants as can be seen on TABLE6. This is because of under spending on the following grants:

- ✓ Municipal Infrastructure Grant is under spending at 51% as per the amount received, mainly because Itumeleng Sports Ground project was delayed by the Department of Sports and Recreation.
- ✓ Finance Management Grant is under spending at 71% as per the amount received, this is due to the fact that a large amount of FMG is allocated to MSCOA Implementation and that project hasn't been implemented.
- ✓ Water Services Infrastructure Grant is under performing by 68%, this is due to the fact that we haven't appointed a contractor for pump stations.

### **5.3 CORRECTIVE MEASURES**

#### **5.3.1 General corrective measures**

- ✓ Capital projects and expenditure needs to be prioritized
- ✓ We need to identify risk areas where possible additional costs may be incurred
- ✓ Needs of the community needs to be identified for service delivery which could lead to additional capital costs
- ✓ We need better planning of budgeting for the capital and operational expenditure of the municipality, and to limit wastages and identify unforeseen expenditure.

#### **5.3.2 Adjustment budget**

A number of variances noted in this report are due to challenges regarding the municipality's budgeting and operations. The municipality intends to submit an adjustment budget as per MFMA regulations to correct most of the variances noted above.

## CHAPTER 6

### MUNICIPAL MANAGER'S OFFICE

#### 6. INFORMATION TECHNOLOGY UNIT

This report is a mid-year report that details the activities and achievements made in the IT Unit.

The ICT Unit in the office of the Municipal Manager has moved greatly and made strides, key to the affirmation or confirmation of this achievement by the ICT department is the Report of the Auditor General.

The Auditor General's Report has indicated that the Municipality has achieved a Clean Audit in terms of the matters of the ICT Governance.

This Clean Audit in ICT Governance is great achievement in this mid-year Report of 2016/2017.

As per according to the Auditor General's, ICT is one of the main key drivers in the vision for the municipality to achieve a Clean Audit overall (i.e. the reliability and accessibility of ICT Systems is key to the reliable financial statements/information, as this information is produced from the Financial Systems that are running on ICT Systems.

#### 6.1 REPORT ON ICT ACTIVITIES AS ACHIEVEMENT ON MAINTENANCE OF SERVERS AND SERVER SERVICES

The ICT Unit runs and maintains critical Server Computers that provide services to the municipality's efficient operations, namely:

- (i) Website Server - provides for fully functional server that disseminate information to the communities, and the public at large. As per the mandatory regulations, reference to compliance regulation, the municipality is able to publish information for
  - 1) Public awareness and
  - 2) Public participation enablement
  - 3) Transparency and Accountability
- (ii) Financial Servers - These servers provide for the running of Financial Information Systems that process many accounting transactions such as billing, ledger and salary administration. Without emphasis, these servers are critical to the well running of the Municipality
- (iii) Electronic Files Server - This servers provide critical redundant information as they allow the Registry Unit to capture necessary paper-trail of the municipality electronically, which is line with critical laws and regulations that mandates safe-guarding of this information
- (iv) Internet Proxy and Email Servers - these servers are critical on day-to-day browsing/surfing of internet, and accessing of emails. Without maintenance on these servers, there will be no Internet Access and not Email accessing
- (v) Technical Servers (Domain Controllers, DNS, DHCP) - primary used by the IT Department for security authentication requests within a computer network for the employees of the organization

The above servers are maintained by the IT Unit on daily basis for optimum and effective operations of all ICT Systems, which in turn support and enable the WORKFORCE of the municipality

\*\*\*\*Achievement on Procurement of Productivity Software has been procured, namely

- ✓ Microsoft Office 2016 Professional and Standard – Productivity Software
- ✓ Windows 10 Professional – Platform Software

The above software is tool of trade for all office-employees, and without it no employee will be able to use a computer in the office.

Furthermore, the software will help the municipality with a facility of Global Calendaring that will be used to meet compliance matters.

\*\*\*\*Network Connection between Main Offices to Matlakeng Office (Township) as an Achievement

- ✓ This connection implemented via Telkom Diginet, has connected the Matlakeng Office to the Main office, which means employees at the Matlakeng Office will be able to access the IT Systems/Resources(such financial systems and Internet)
- ✓ As some employee will relocate to the Matlakeng Office, this will afford the Municipality to avoid an OHS fine/penalty as it previously did get

## 6.2REPORT ON CHALLENGES IN THE ICT UNIT

Although much has been achieved, which can be summarised with a fact that the ICT Unit has moved from disclaimer to clean audit (IT Governance) from 2013/2014 to 2015/2016, there still remains so much challenges. To be specific, lack of financial support remains a key challenge to ICT progress.

This financial support, has led to a failure to procure the following budgeted items:

### 6.2.1 Internet Broadband (Fastest Business Class Internet Broadband)

Implementation of this would have enabled the municipality to:

- ✓ get reliable internet connectivity (i.e. Internet access and email connectivity)
- ✓ inter-connectivity to amongst satellite sites (Rouxville and Smithfield and Zastron)

**NB:** Taking a step back, from the implementation of the above, the old/current and single Internet Connectivity at the main office of Zastron remains poor, and should by its own disadvantage be replaced/improved. This is to say, for the purpose of understanding, the implementation of the Internet Broadband, will not decrease the cost of the current Internet Connectivity, but will increase the cost, and which will in turn increase the performance.

Briefly, the outcome of the above project will be a **PERFORMANCE GAIN**, rather than a financial gain. However, there will be indirect financial gains in the sense that there will be a cut-down on use of 3G internet connection that are used to download big files from the Internet, also these 3G's are used for Video Conferencing during meetings with external stakeholders(Audit Committee Members)

### 6.2.2 Wireless Infrastructure (Wi-Fi) – the advantages of Wi-Fi include:

- ✓ Advantage # 1 – Increased Mobility
- ✓ Advantage # 2 – Enabling Byod
- ✓ Advantage # 3 – Increased Productivity
- ✓ Advantage # 4 – Public Wi-Fi - Hotspots
- ✓ Advantage # 5 – Scalability
- ✓ Advantage # 6 – Guest Use

Summarily, employees can access information from the server, wherever they are in the premises wirelessly, also enables colleagues to collaborate and share information in meetings held anywhere.

### 6.2.3 Video Conferencing

- ✓ Minimized expenses - enjoy the savings of decreased travel expenses and hard to maintain infrastructure
- ✓ Effective Communication - powerful face-to-face interaction is the best way to get things done from anywhere in the world
- ✓ Scalable and secure service - invite up to 100 interactive attendees or up to 3000 attendees
- ✓ Content and video sharing - everything from slides to trailers to budget tracking spreadsheets with all participants in your meeting

### 6.2.4 "Infrastructure Support" items

- Router switch
- Data Center - UPS Supplement Batteries
- Data Center - Power Distribution Unit
- Fire suppression system
- PC Repair, Network Cabling and Maintenance
- Disaster recovery server

## **7. RISK MANAGEMENT UNIT**

### **7.1 Introduction**

Risk Management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the institution's service delivery capacity.

MFMA, section 62 (1) (c) (i) states that the Accounting Officer of a municipality is responsible for the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems off financial and risk management and internal control.

Treasury Regulations section 3.2.1 further prescribes that the Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

### **7.2. Purpose**

The purpose of this report is to provide the Municipal Manager, Risk Committee and Audit Committee with an assessment of the adequacy of the risk management. This risk assessment report identifies threats and vulnerabilities applicable within the municipality. It also evaluates the likelihood that vulnerability can be exploited, assesses the impact associated with these threats and vulnerabilities, and identifies the overall risk level. This report documents risk assessment activities conducted and will help Internal Audit to develop the Risk Based audit Plan and management to understand and address the risks within their respective departments.

### **7.3. Appreciation**

Risk Management Unit would like to take this opportunity to express its gratitude and appreciation to the Municipal Manager, Management and the staff at large for the participation in the Operational Risk Assessment workshops.

### **7.4. Executive Summary**

It should be noted that Risk Management is not about naming and shaming it is all about being realistic about the risks an institution faces and being proactive. Risk Management assists the municipality with the following:

- 7.4.1 Support efficient use of resources (Risk Based decision making),
- 7.4.2 Promoting continuous improvement,
- 7.4.3 Minimize surprises,
- 7.4.4 Reassure the stakeholders,
- 7.4.5 Rationalization of capital and financial resources,
- 7.4.6 Helps Internal Audit to comply with Internal Audit Framework and IIA standards,  
Continuity of service delivery

During the sessions the following risks were identified:

- The municipality policies are not reviewed, drafted and approved as per the set targets of the SDBIP in order to implemented;
- There is a shortage of staff;
- Official's morale is also low based on the fact that their Performance is not evaluated to determine if they need to be developed or not;
- Lack of project management from the point of needs identification, appointment of service providers and ultimately the completion of projects.
- There is lack of document back up procedures both physical and electronical for consistency, continuity and record management which might result in discrepancies.

It is recommended that the following be implemented:

- Have a workshop with officials and every existing committee members on the reviews of policies of the municipality and outline the accountability in terms of non-implementation thereof.
- Priorities the filling of critical posts.
- Hold Management accountable for the evaluation of the performance of their support staff.
- Ensure that each and every official sign the performance agreement, this will assist during monitoring and evaluation.
- Develop procedure manuals for different departments for consistency and priorities IT needs.

## **7.2. Objective and Scope**

### **7.2.1 Project Objectives**

The objective of the project was to:

- Have an updated operational risk profile of the municipality Annexure A,
- Enable Internal Audit to develop a risk based Audit Plan,

### **7.3 Project Scope**

The scope of the project has covered the following:

- Facilitation of risk identification, assessment and action plans for the municipality
- Risk Register

#### **7.4 Project Scope Limitation**

Due to time constraints the departments were requested to complete the risk register in their respective departments. The discussions sessions were held with departments and to show them how the register works in terms of risk identification and action plan.

Monitoring of the implementation of the action plan rests with the municipality.

**7.5. RISK MANAGEMENT PROCESS FOLLOWED:**



## **7.6 Approach**

Public Sector Risk Management Framework was used as a guide to identify, assess risks for the Municipality measurable objectives as stated in the SDBIP of the Municipality.

### **7.7 Risk Awareness**

The Institution's internal environment is the foundation of risk management, providing discipline and structure for Risk Management to function and mature.

A Risk Management presentation was displayed as part of the educational risk awareness to officials per department before the start of the risk identification to enable them to have an understanding of Risk Management.

### **7.7 Risk Identification**

Risk Management Unit facilitated the risk identification sessions with different departments, with the limited time the teams were able to identify as many as possibly can and were afforded the opportunity to identify some more in their own time before the assessment session.

Workshop participants were managers and implementers in respect of all operational risks.

### **7.8 Risk Assessment**

The inherent Risk Rating was done during the second session with the department. Officials identified existing controls aimed at minimizing the identified risks. In the event where controls are not in place it was indicated as such and thereafter the risks were rated again to get the Residual Risk Magnitude.

## 7.9 Risk Rating Technique (Guide)

The following risk rating guide was used as identified in the municipality's risk management strategy:

### IMPACT CRITERIA:

Rating	Assessment	Definition
1	Insignificant	Negative outcomes or missed opportunities that are likely to have a negligible impact on the ability to meet objectives
2	Minor	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
3	Moderate	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives
4	Major	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
5	Critical	Negative outcomes or missed opportunities that are of critical importance to the achievement of the objectives

### LIKELIHOOD CRITERIA:

Rating	Assessment	Definition
1	Rare	The risk is conceivable but is only likely to occur in extreme circumstances
2	Unlikely	The risk occurs infrequently and is unlikely to occur within the next 3 years
3	Moderate	There is an above average chance that the risk will occur at least once in the next 3 years
4	Likely	The risk could easily occur, and is likely to occur at least once within the next 12 months
5	Common	The risk is already occurring, or is likely to occur more than once within the next 12 months

**INHERENT RISK EXPOSURE (Impact X Likelihood)**

Risk rating	Inherent risk magnitude	Response
15 - 25	High	Unacceptable level of risk – High level of control intervention required to achieve an acceptable level of residual risk
8 – 14	Medium	Unacceptable level of risk, except under unique circumstances or conditions – Moderate level of control intervention required to achieve an acceptable level of residual risk
1 - 7	Low	Mostly acceptable – Low level of control intervention required, if any.

**RESIDUAL RISK EXPOSURE (Impact X Likelihood)**

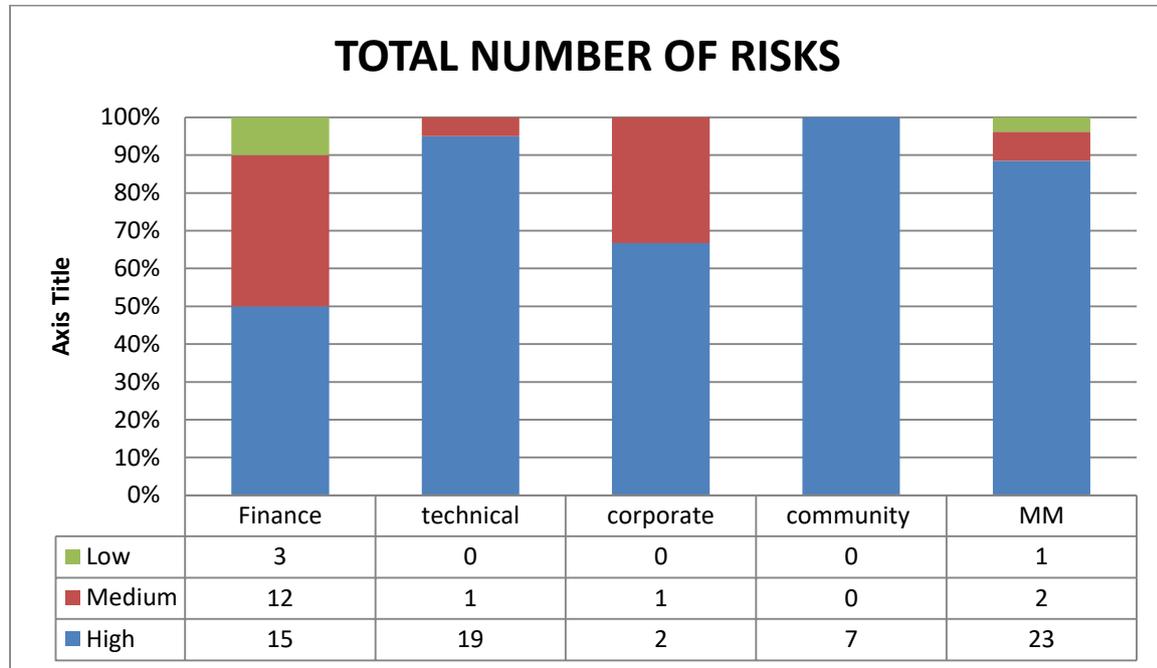
Risk rating	Residual risk magnitude	Response
15 - 25	High	Unacceptable level of residual risk – Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Controls require substantial redesign, or a greater emphasis on proper implementation.
8 – 14	Medium	Unacceptable level of residual risk – Implies that the controls are either inadequate (poor design) or ineffective (poor implementation). Controls require some redesign, or a more emphasis on proper implementation.
1 - 7	Low	Mostly acceptable level of residual risk – Requires minimal control improvements.

Risk mapping of municipality that is used to plot risks:

<b>LIKELIHOOD</b>	5	<b>Common</b>	5	10	15	20	25
	4	<b>Likely</b>	4	8	12	16	20
	3	<b>Moderate</b>	3	6	9	12	15
	2	<b>Unlikely</b>	2	4	6	8	10
	1	<b>Rare</b>	1	2	3	4	5
			<b>Insignificant</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Critical</b>
			1	2	3	4	5
			<b>IMPACT</b>				

## 7.10. Risk Analysis

Comparison of High Risk Areas per Department



Summary on the review of the level of implementation of the mitigating strategies

Department	Number of risks	No. of risks with mitigating strategies	No. of risks with progress indicated	No. of risk with reasons for no progress
Municipal Manager's Office	30	26	11	10
Corporate Service	3	3	2	1
Finance Department	32	31	10	7
Community Services	13	13	8	9
Technical Department	20	20	9	11
<b>Total</b>	<b>98</b>	<b>93</b>	<b>40</b>	<b>38</b>

The detailed 1<sup>st</sup> and 2<sup>nd</sup> quarter risk monitoring register is hereon attached as Annexure A.

## **7.11. Conclusion and Recommendation**

When properly executed risk management provides reasonable, but not absolute assurance, that the institution will be successful in achieving its goals and objectives.

It is recommended that management prioritize the identified risks together with their action plans. This will enable management to spend more time, effort and limited resources to manage risks of higher priority than risks with a lower priority.

Risk management should further be regularly monitored which is a process that will assesses both the presence and functioning of its components and the quality of their performance over time and on the action plans that have been identified.

It is recommended that the Municipal Manager take note of the report together with the action plan to address the identified risks and monitor progress on the implementation plan.

# **SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)**

## Mohokare Local Municipality Mid-year Report

### LOCAL ECONOMIC DEVELOPMENT

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
5	Local Economic Development	Local Economic Development	Enhancement of the municipality's local economy	SO2	12 Business expos conducted to assist cooperatives and	12 Business expos conducted to assist cooperatives	6 Business expos conducted	2 Business expos conducted	Conduct 1 business expo per town	Achieved	-	Conduct 1 business expo per town	Achieved	-	-
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	Achieved	-	Identification of risks submitted to risk officer by	Achieved	-	-
3				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec	New KPI	Quarterly updated B2B Diagnostic Report	LED is not contained in the back to	-	Quarterly updated B2B Diagnostic Report	LED is not contained in the back to	-	-	
3				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	No ISO audit findings for LED	-	Quarterly updated departmental register	No ISO audit findings for LED	-	-	
3				Summary of AG action plans resolved and	To achieve clean audit on previous years	To achieve 50% clean audit on previous years	New KPI	Summary of action plan queries	No AG findings for LED	-	Summary of action plan queries	No AG findings for LED	-	-	

INFORMATION TECHNOLOGY

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept	Achieved	-	Identification of risks submitted to risk officer by Dec	Achieved	-	-
3					Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec	New KPI	Quarterly updated B2B Diagnostic Report	Achieved	-	Quarterly updated B2B Diagnostic	Achieved	-	-
3					# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	No ISO findings for the IT Unit	-	Quarterly updated departmental register	No ISO findings for the IT Unit	-	-
3					Summary of AG action plans resolved and	To achieve clean audit on previous years	To achieve 50% clean audit on previous years	New KPI	Summary of action plan queries	Achieved	-	Summary of action plan queries	No audit findings for the IT Unit for thus	-	-

Mohokare Local Municipality Mid-year Report

TOWN PLANNING

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be taken
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept	Achieved	-	Identification of risks submitted to risk officer	Achieved	-	-
3				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report	Town planning was not contained in the back to	-	Quarterly updated B2B Diagnostic	Town planning was not contained in	-	-	
3				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	No ISO audit findings	-	Quarterly updated departmental register	No ISO audit findings	-	-	
3				Summary of AG action plans resolved and implement	To achieve clean audit on previous years	To achieve 50% clean audit on previous	New KPI	Summary of action plan queries	No AG findings for Town Planning Unit	-	Summary of action plan queries	No AG findings for Town Planning Unit	-	-	

## RISK MANAGEMENT

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
3	Good governance and administration	Good governance in Mohokar	To evaluate the effectiveness of Risk management, control and governance processes and develop		Reviewed Enterprise Risk Management Policies (Risk Management Strategy and Framework Fraud	Reviewed Enterprise Risk Management Policies	Submission of 2016/2017 Policies to RMC AC & Council by July 2016	Reviewed Enterprise Risk Management Policies	Submission of 2016/2017 Policies to RMC AC & Council by July 2016	Not achieved	Policies were approved late	-	-	-	-
3				Identified top 10 high municipal risks by August 2016	10 high municipal risks identified and monitored	Strategic risks identified by August 2016 and Top 5 high	-	Strategic risks identified by August 2016	Achieved	-	Top 5 high risks identified by October 2016	Achieved	-	-	
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	Achieved	-	Identification of risks submitted to risk officer by Dec	Achieved	-	-
3				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report by Sept	There was nothing to be reported relating to back	-	Quarterly updated B2B Diagnostic Report	Achieved	-	-	

### Mohokare Local Municipality Mid-year Report

										basics		2016			
3				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	There was nothing to be reported relating to ISO	-	Quarterly updated departmental register	No ISO audit findings for the Unit	-	-	
3				Summary of AG action plans resolved and implement	To achieve clean audit on previous years	To achieve 50% clean audit on previous	New KPI	Summary of action plan queries	There was nothing to be reported relating	-	Summary of action plan queries	Achieved	-	-	

# Mohokare Local Municipality Mid-year Report

## INTERNAL AUDIT

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December 2016	Actual achievement	Reason for deviation	Corrective measures to be
			Maintaining and improving the Municipal Audit Opinion		Review Internal Audit Charter and Manual for approval by July 2016	Review Internal Audit Charter by July 2016	Review of Internal Charter and Manual by July 2016	Adopted and reviewed 2014/2015 Internal Audit Plan	Review of Internal Charter and Manual by July 2016	Not achieved	The charter was prepared and presented to the Audit Committee and approved. Subsequently the minutes and strategic document	-	-	-	-
					Reviewed and approved Audit Committee Charter by August 2016	Reviewed and approved Audit Committee Charter by August 2016	Submission of the reviewed Audit Committee Charter to Council for Approval	2015/2016 Audit Committee Charter	Submission of the reviewed Audit Committee Charter to Council for Approval	Not achieved	The charter was prepared and presented to the Audit Committee and	-	-	-	-

# Mohokare Local Municipality Mid-year Report

											during the meeting. Subsequently the minutes and strategic documents were sent to the chairpersons on for				
					Develop and submit Internal Audit Coverage Plan by August 2016	Approved Internal Audit Coverage Plan by August 2016	Approved Internal Audit Coverage Plan by August 2016	Adopted 2015/2016 Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan by August 2016	Not achieved	Risk Register is not yet complete and approved by the relevant	-	-	-	-
3	<b>Good Governance and public participation</b>	<b>Good Governance and public participation</b>	<b>To instil good governance in all Municipal operations, ensure public participation and provide critical</b>		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept	No risk matters for this quarter	-	Identification of risks submitted to risk officer by Dec	Achieved	-	-
3					Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report	The internal Audit unit was not contained	-	Quarterly updated B2B Diagnostic	Not achieved	-	-
3					# ISO audit	4 Updated	2 Updated	New KPI	Quarterly updated	No ISO audit	-	Quarterly updated	No ISO	-	-

### Mohokare Local Municipality Mid-year Report

					resolved by June 2017	ISO registers (POE) on resolved findings	ISO registers (POE) on resolved findings		departmental register on ISO audit findings	findings for the Unit		departmental register on ISO audit findings	findings for the Unit		
3					Summary of AG action plans resolved and implemented	To achieve clean audit on previous years queries	To achieve 50% clean audit on previous years queries	New KPI	Aggregate municipal Summary of action plan queries	Not achieved	Failure by departments to submit monthly updated	Aggregate municipal Summary of action plan queries	Not achieved	A new Action Plan was distributed and monitoring will commence at the end	-

# Mohokare Local Municipality Mid-year Report

## HUMAN RESOURCE MANAGEMENT

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be taken
	Good Governance and Administration	Good Governance in Mohokare	Annual review and implementation of the Human Resource Development		Vacant posts identified in the EE Plan filled	Appointment of: One(1) Senior Finance Manager Five	Appointment of: One(1) Senior Finance Manager Five (5) Unskilled	New KPI	-	-	-	Appointment of: One(1) Senior Finance Manager Five	Achieved	-	-
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipal		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept	Target not achieved Non-submission of the	-	Identification of risks submitted to risk officer	Target not achieved Non-submission	-	-
3					Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report	Target not achieved Non-submission of the	-	Quarterly updated B2B Diagnostic	Target not achieved Non-	-	-
3					# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental registration ISO audit	Target not achieved Non-submission of the	-	Quarterly updated departmental registration	Target not achieved Non-submission	-	-
3					Summary of AG action	To achieve	To achieve	New KPI	Departmental summary	Target not achieved	-	Departmental summary	Target not	-	-

**Mohokare Local Municipality Mid-year Report**

					resolved and implement ed	audit on previou s years queries	clean audit on previous years queries		audit matte rs attended	Non- submissi on of the report		of audit matters attended	Non- submiss io n of		
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# Mohokare Local Municipality Mid-year Report

## PERFORMANCE MANAGEMENT SYSTEM

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
	Good governance and Administration	Good governance in Mohokare	100% monitoring and evaluation of Municipality's Performance		Submission of the draft Annual report and the annual performance report for	Submitted draft Annual report, annual performance report, annual performance	Submit draft Annual report, annual performance report on 31st	Annual report, annual performance report submitted on the 31	Submit draft Annual report, annual performance report on 31st	Achieved	-	-	-	-	-
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipal		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept	Achieved	-	Identification of risks submitted to risk officer by Dec	Achieved	-	-
3				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report	Achieved	-	Quarterly updated B2B Diagnostic	Achieved	-	-	
3				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	Not achieved	Due commitments of Senior Managers and	Quarterly updated departmental register	Achieved	-	-	
3				Summary of AG action plans resolved	To achieve clean audit on	To achieve 50% clean	New KPI	Summary of action plan queries	Achieved		Summary of action plan queries	Achieved	-	-	

**Mohokare Local Municipality Mid-year Report**

						years queries	previous years queries								
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Mohokare Local Municipality Mid-year Report

INTEGRATED DEVELOPMENT PLANNING

KP A No	Key Performance Area	Municipal Strategic Objective	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
3	Good governance & Administration	Good governance in Mohokare	To implement a ranking and rating system for all new capital projects		Reviewed and approved IDP by May 2016	Reviewed and approved IDP	Approved IDP Process plan by August 2016 and Establishment of Rep Forum	Approved 2015/16 IDP	Approved IDP Process plan by August 2016	Achieved	-	Establishment of Rep Forum	Achieved	-	-
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipal		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	-	-	Identification of risks submitted to risk officer by Dec	-	-	-
3				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnosti	-	-	Quarterly updated B2B Diagnosti	-	-	-	
3				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	-	-	Quarterly updated departmental register	-	-	-	
3				Summary of AG action plans	To achieve clean	To achieve 50%	New KPI	Departmental Summary of action	-	-	Departmental Summary of	-	-	-	

**Mohokare Local Municipality Mid-year Report**

					resolved and implement ed	previou s years queries	audit on previou s years		plan queries			plan queries			
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TECHNICAL SERVICES

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December 2016	Actual achievement	Reason for deviation	Corrective measures to be taken
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP level	Provision of Project Management services to the Municipality 2016/2017	1	To execute work amounting to R35 million on RBIG (Regional Bulk Infrastructure Grant) by 31 March 2017 (100%)	100% expenditure	72 % expenditure	92% expenditure	44 % expenditure	Not achieved  38% expenditure	Termination of the consultant on the Rouxville bulk water supply system resulting in	72 % expenditure	Achieved 85%	-	-
1				To execute work amounting to R31 million on MWIG (Municipal Water Infrastructure Grant) by 30 June 2017	100% expenditure	44 % expenditure	27% expenditure	30 % expenditure	Not achieved	Labour unrest on the upgrading of the Zastron WWTW & re-advertisement of M&E on the Zastron raw	44 % expenditure	Not achieved 28%	1. The preliminary tender for the upgrading of the Zastron WWTW. 2. Fast track progress on the Zastron WWTW. More workers have		



# Mohokare Local Municipality Mid-year Report

## CORPORATE SERVICES

Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to	SO4	Coordination of ordinary council meetings	4 Ordinary Council meeting	2 distribution of notices and agendas by Aug	4 distributed notices and agenda for 4 ordinary	Distribution of notices and agendas by Aug 16	Achieved		Distribution of notices and agendas by Nov 16	Achieved	-	-
			SO4	Coordination of LLF meetings	12 LLF notices and agenda distributed	Coordination of LLF meetings and distribution of	12 LLF notices and agenda distributed	Coordination of LLF meetings	Council postponed due to Local Government elections		Distribution of notices and agendas	Partially achieved only two notices distributed	-	-
			SO4	Agenda and notices of section 79 committees distributed	20 notices and agenda of Section	10 notices agendas for section 79	15/16 Sec 79 notices and agenda	5 notices and agendas for section 79	Council postponed due to Local Government		5 notices and agendas for section 79	Achieved	-	-
Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	Achieved		Identification of risks submitted to risk officer by Dec	No ISO audit findings for Corporate Services	-	-
				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report	Achieved		Quarterly updated B2B Diagnostic	Achieved 3% expenditure	-	-

# Mohokare Local Municipality Mid-year Report

							by Sept						
			# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit findings	No audit finding were raised regarding ISO to Corporate	-	Quarterly updated departmental register on ISO audit	No audit finding were raised regarding ISO to		

# Mohokare Local Municipality Mid-year Report

## FINANCE SERVICES

Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
Financial Management	Financial Viability	Compilation of compliant AFS	4	Submission of compliant Financial Statements to AG, National and Provincial Treasury	Submitted AFS by 31st August 2016	Submission of compliant Financial Statements to AG and National	Submitted AFS by Aug 2015	Submission of compliant Financial Statements to AG and National and	Achieved	-	-	-	-	-
Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	Achieved	-	Identification of risks submitted to risk officer by Dec 2016	Achieved	-	-
				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic	Achieved	-	Quarterly updated B2B Diagnos	Achieved	-	-

## Mohokare Local Municipality Mid-year Report

				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit	No findings identified in the first quarter	-	Quarterly updated departmental register on ISO	Achieved	-	-
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# Mohokare Local Municipality Mid-year Report

## COMMUNITY SERVICES

Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department)	SO No	Key performance indicator(s)	Annual Target	Mid-year target	Baseline	Quarter 1 September 2016	Actual Achievement	Reason for deviation	Quarter 2 December	Actual achievement	Reason for deviation	Corrective measures to be
Basic Service Delivery and Infrastructure	Keep Mohokare Safe & Clean	Management of Extended Public Works	5	Reviewed Extended Public Works Policy by August 2017	Reviewed Extended Public Works Policy	Submit the final reviewed Plan to Council by August	EPWP in place	Submit the final reviewed Plan to Council by August	Achieved	-	-	-	-	-
Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality		Monitoring of risk related matters	Identified risks, developed and updated Risk registers	Identified risks, developed and updated Risk registers	New KPI	Identification of risks submitted to risk officer by Sept 2016	Achieved	-	Identification of risks submitted to risk officer by Dec	Achieved	-	-
				Monitoring B2B Report quarterly	Updated B2B quarterly report	Updated B2B quarterly report by Dec 2016	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Not Achieved	The data on the B2B does as is as there are no changes needed unless	Quarterly updated B2B Diagnostic Report by Dec 2016	Achieved	-	-
				# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	2 Updated ISO registers (POE) on resolved findings	New KPI	Quarterly updated departmental register on ISO audit findings by Sept 2016	Not Achieved	The order for purchase of cement bags were rejected due to none payment	Quarterly updated departmental register on ISO audit findings by Dec	Not achieved	Material for the fixing of the landfill site has been purchased	Work will begin in January 2017

### Mohokare Local Municipality Mid-year Report

				Quarterly supervision of the SDBIP on the KPIs			New KPI	Quarterly Performance Report by October 2016	Achieved	-	Quarterly Performance Report by January 2017	Target achieved	-	-
				Summary of AG action plans resolved and	To achieve clean audit on	To achieve 50% clean audit on	New KPI	Summary of action plan queries	No findings	-	Summary of action plan queries	No audit findings for Com	-	-

**MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

I .....The Municipal Manager of Mohokare Local Municipality, hereby certify that :

The Section 72 report ending 31 December 2016 on implementation of the IDP, Budget and the SDBIP and state of affairs of the Municipality for the year 2016/17 in accordance with the Municipal Finance Management Act and Regulations made under the Act.

Print Name: Thabo Christian Panyani

Municipal Manager of Mohokare Local Municipality: MLM 163

Signature.....