



**MOHOKARE**  
LOCAL MUNICIPALITY

**DRAFT ANNUAL REPORT**

**2015/2016**

**MOHOKARE LOCAL MUNICIPALITY FS 163**

**(Before Noting by Municipal Council)**

# TABLE OF CONTENTS

Contents	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
: MUNICIPAL MANAGER’S FOREWORD	9
COMPONENT B: EXECUTIVE SUMMARY	9
1.1. MUNICIPAL MANAGER’S OVERVIEW	9
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	12
1.3. SERVICE DELIVERY OVERVIEW	16
1.4. FINANCIAL HEALTH OVERVIEW	18
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	22
1.6 AUDITOR GENERAL REPORT	23
1.7. STATUTORY ANNUAL REPORT PROCESS	24
CHAPTER 2 – GOVERNANCE	26
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	
2.1 POLITICAL GOVERNANCE	27
2.2 ADMINISTRATIVE GOVERNANCE	39
COMPONENT B: INTERGOVERNMENTAL RELATIONS	
2.3 INTERGOVERNMENTAL RELATIONS	42
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	
2.4 PUBLIC MEETINGS	43
2.5 IDP PARTICIPATION AND ALIGNMENT	45
COMPONENT D: CORPORATE GOVERNANCE	
2.6 RISK MANAGEMENT	46
2.7 ANTI-CORRUPTION AND FRAUD	47
2.8 SUPPLY CHAIN MANAGEMENT	47

2.9 BY-LAWS	48
2.10 WEBSITES	49
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	50
<b>CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)</b>	
<b>COMPONENT A: BASIC SERVICES</b>	
3.1. WATER PROVISION	51
3.2 WASTE WATER (SANITATION) PROVISION	56
3.3 ELECTRICITY	60
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	63
3.5 HOUSING	65
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	69
<b>COMPONENT B: ROAD TRANSPORT</b>	
3.7 ROADS & WASTE WATER (STORMWATER DRAINAGE)	72
3.8 TRANSPORT	75
3.9 WASTE WATER (STORMWATER DRAINAGE)	75
<b>COMPONENT C: PLANNING AND DEVELOPMENT</b>	
3.10 PLANNING	77
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)	84
<b>COMPONENT D: COMMUNITY &amp; SOCIAL SERVICES</b>	
3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER	90
3.13 CEMETERIES	92
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	93
<b>COMPONENT E: ENVIRONMENTAL HEALTH</b>	
3.15 ENVIRONMENTAL HEALTH MANAGEMENT	93

COMPONENT F: HEALTH	
3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENCING AND INSPECTIONS Etc.	93
COMPONENT G: SECURITY AND SAFETY	
3.17 TRAFFIC SAFETY AND SECURITY	97
3.18 FIRE & DISASTER MANAGEMENT	99
3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND OTHER)	100
COMPONENT H: SPORT AND RECREATION	100
3.20 SPORT AND RECREATION	101
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	103
3.21 FINANCIAL SERVICES	105
3.22 HUMAN RESOURCES	107
3.23 INFORMATION & COMMUNICATION TECHNOLOGY	108
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	110
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)	110
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	156
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	
4.2 POLICIES	158
4.3 INJURIES, SICKNESS AND SUSPENSIONS	161
4.4 PERFORMANCE REWARDS	161
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	
4.5 SKILLS DEVELOPMENT AND TRAINING	164

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	
4.6 EMPLOYEE EXPENDITURE	166
CHAPTER 5 – FINANCIAL PERFORMANCE	169
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	
5.1 STATEMENTS OF FINANCIAL POSITION	170
5.2 GRANTS	171
5.3 ASSET MANAGEMENT	171
5.4 FINANCIAL RATIOS	173
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	
5.5 CAPITAL EXPENDITURE	177
5.6 SOURCE OF FINANCE	178
5.7 CAPITAL SPENDING AGAINST 5 LARGEST PROJECTS	179
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT	
5.8 CASH FLOW	180
5.9 BORROWING AND INVESTMENT	181
5.10 PUBLIC PRIVATE PARTNERSHIP	182
COMPONENT D: OTHER FINANCIAL MATTERS	
5.11 SUPPLY CHAIN MANAGEMENT	182
5.12 GRAP COMPLIANCE	183
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year 0	
6.1 AUDITOR GENERAL REPORTS 2014/16 (Previous year)	184
6.1.1 AUDIT GENERAL REPORT 2015/16 (Current year)	184
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)	
6.2 AUDIT ACTION PLAN	185
APPENDICES	
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	203
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	203
APPENDIX C – THIRD TIER ADMINISTRATION	204

APPENDIX D – FUNCTIONS OF MUNICIPALITY	204
APPENDIX E – WARD REPORTING	205
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1	206
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	209
APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE	210
APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST	212
APPENDIX K(I) –REVENUE COLLECTION PERFORMANCE BY VOTE	213
APPENDIX K(II) –REVENUE COLLECTION PERFORMANCE BY SOURCE	215
APPENDIX L- CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	215
APPENDIX P – SERVICE CONNECTION BACKLOG AT SCHOOLS AND CLINIC	216
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	216
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	216
VOLUME II: ANNUAL FINANCIAL STATEMENTS	217

# CHAPTER 1



## COMPONENT A: MAYOR'S OVERVIEW

### MAYOR'S FOREWORD

Mohokare Local Municipality concluded its financial year 2015/16 with notable success. As a local sphere of government, one of the core mandates is to deepen participatory democracy therefore coming elections shall serve as a platform for communities to voice their reason and objectivity.

Our late stalwart Walter Sisulu once said, "It is a law of life that problems arise when conditions are there for their solution." This important message from this stalwart of our movement was that we should not despair when confronted by a myriad challenges that life throws our way. It is an almost biblical injunction that each problem of the world has a solution. Our communities have many social challenges that confront them and Mohokare local municipality is not oblivious to their plight.

Collaborating directly with the vision of the municipality: "To be a community driven municipality that ensures sustainable quality service delivery applying principles of good governance" we therefore commit to such a notion not only by words but with definable actions and perceivable facts

Considering a performance driven municipality that utilises its resources efficiently in order to respond to community needs, as a mission we therefore again ensure the broader community; residents and visitors of the area about quality services and friendliness of the towns which constitutes Mohokare. Mohokare took a conscious decision to work together with our communities to map out ways of practically addressing their plight and thus build better communities; therefore the year under review tangibly shows the results of this, and the organic relations with communities.

Mohokare Local Municipality performed well in the 2015/2016 financial year, both the Integrated Development Plan (IDP) and Budget of Mohokare local municipality managed to gain a credibility status by Cooperative Governance, Traditional Affairs Department (COGTA) and National Treasury this translates to the municipality reflecting thoroughly on the needs of the community. At the beginning of the term of Council set standards of quality service was intended to be achieved, one of the prominent standards was to implement a quality management system with the objective to improve service delivery standards which the council achieved by implementing processes and standards as per

the International Standardisation Organisational (ISO) 9001 which assisted the municipality in achieving an Unqualified Audit opinion.

## **KEY POLICY DEVELOPMENT**

The IDP (Integrated Development Plan) identifies the developmental priorities and strategies to be undertaken within the municipality. The IDP is the crucial planning document and policy mechanism of the municipality. A number of plans and policies have been developed and play a major role in ensuring achievement of the municipality strategies such as: Revenue enhancement strategy, Fraud and corruption strategy, spatial development plan, Local economic plan, HRD Strategy, Public participation and communication policy.

## **PUBLIC PARTICIPATION**

The Constitution of the Republic of South Africa is underpinned by the principles of good governance, highlighting the importance of public participation as an essential element of successful good governance. The municipality is obligated to take into account the interests and concerns of the community when it develops by-laws, policies and implements its programmes.

Mohokare Municipality council adopted the public participation and communication policy as a mechanism that outlines community participation and communication to ensure the municipality reaches out to the community which strengthens participation and create more opportunities for the community to actively participate in matters that affect their lives and influence decision making.

Ward public meetings, IDP/budget participation meetings, by laws consultations and consultations and feedback on various programmes relating to provision of services and development were held throughout the year.

With effective leadership, clearly defined strategies and our shared vision we have and will in future achieve the success for all our communities within the Mohokare Local Municipality.

This report is a reflection of municipal activities for the financial year (2015/2016) as undertaken by the municipality.

Regards,

---

**Cllr I MEHLOMAKULU**  
**MAYOR**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW



#### MUNICIPAL MANAGER'S FOREWORD

Once again it is time for us to report on the successes and challenges faced and account for the administrative performance of Mohokare Local Municipality during the 2015/2016 financial year.

Our goal for the past financial year was clear and unambiguous, to deliver municipal services to the best of our abilities.

One of the main challenges faced during the year was the balancing of the budget, with a slowdown in revenue collection due to increasing tariffs, as well as a shrinking revenue base due to a decline in population numbers. This challenge was professionally approached, and admirably managed, with strict financial management, increased oversight in terms of expenditure and a very cautious approach to further capital commitments.

We believe very strongly that we are on the right track as a Municipality. Our Revenue Enhancement Strategy was adopted by Council and should be able to assist us recover what is owed to the Municipality, so that we are able to continue to deliver services to our people. The following measures, amongst others, have been implemented:

- Deductions have been implemented from salaries of municipal employees in terms of payment of services;
- Contracts for rental of municipal flats at market related tariffs;
- Writing-off of debts (indigents);
- Handing over of debtors.

The progress achieved in terms of infrastructure and capital projects are captured in detail in the CHAPTER 3 on page 50.

This Municipality is committed to tangible and visible deliverables to better the lives of its residents and believe that for democratic governance to be meaningful; all stakeholders must be fully engaged to participate in all processes.

Mohokare Local Municipality had a good year and once again maintained a positive service delivery record. We will continue in our efforts to provide infrastructure, basic service delivery and sustainable economic growth with people at the center of development.

I am optimistic that we stood up against the challenges which faced us and that we are without doubt on track with what we envisage for Local Government, not only a local level but also within a regional and national perspective.

I am also satisfied that this report is a true and just reflection of what really happened in Mohokare Local Municipality in 2015/2016.

**Kind regards**

**T. C. Panyani**  
**Municipal Manager**

## **PREFACE**

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The current financial year;
- Year 1: The following financial year.

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) is measures 8 748,53 km and comprises of three main town i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

The community survey conducted in 2007 estimates the population of Mohokare to be at 41 867 with 10216 households

### Table

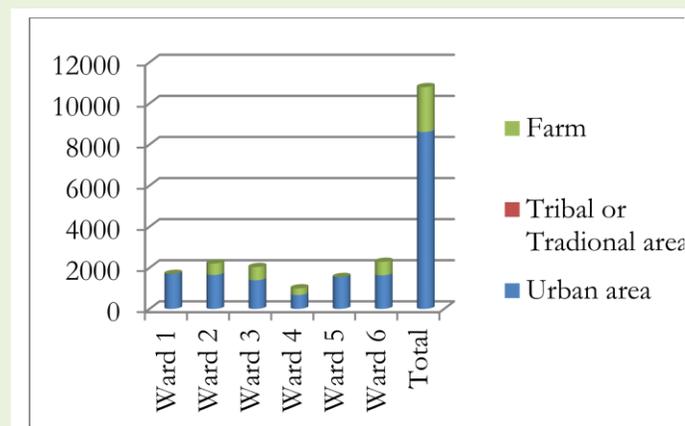
#### 1.2.2 POPULATION

##### Age groups in 5 years by Geography

Age groups	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
00 - 04	832	794	745	346	501	707	<b>3926</b>
05 - 09	807	830	708	293	483	690	<b>3811</b>
10 - 14	687	758	597	256	441	513	<b>3253</b>
15 - 19	659	718	575	264	464	568	<b>3248</b>
20 - 24	631	675	600	327	431	703	<b>3367</b>
25 - 29	507	605	596	259	364	635	<b>2967</b>
30 - 34	343	471	449	210	296	515	<b>2284</b>
35 - 39	320	526	357	182	273	417	<b>2075</b>
40 - 44	265	402	329	166	268	372	<b>1803</b>
45 - 49	246	346	294	135	242	343	<b>1605</b>
50 - 54	205	276	262	126	223	259	<b>1351</b>
55 - 59	155	252	241	127	200	271	<b>1245</b>
60 - 64	153	196	204	107	164	191	<b>1016</b>
65 - 69	103	140	108	74	126	119	<b>670</b>
70 - 74	94	227	94	50	107	107	<b>679</b>
75 - 79	95	83	66	30	83	67	<b>424</b>
80 - 84	45	43	46	25	50	36	<b>245</b>
85+	32	27	37	6	44	30	<b>177</b>
<b>Total</b>	<b>6181</b>	<b>7370</b>	<b>6307</b>	<b>2982</b>	<b>4762</b>	<b>6543</b>	<b>34146</b>
<i>Source: Statistics SA</i>							

**Table 4**  
**Geography by Geo type / Household**  
**figures**

	Urban area	Tribal or Traditional area	Farm	Total
Ward 1	1704	-	-	<b>1704</b>
Ward 2	1653	-	555	<b>2208</b>
Ward 3	1393	-	643	<b>2036</b>
Ward 4	677	-	324	<b>1000</b>
Ward 5	1552	-	-	<b>1552</b>
Ward 6	1634	-	658	<b>2292</b>
<b>Total</b>	<b>8612</b>	<b>-</b>	<b>2180</b>	<b>10793</b>

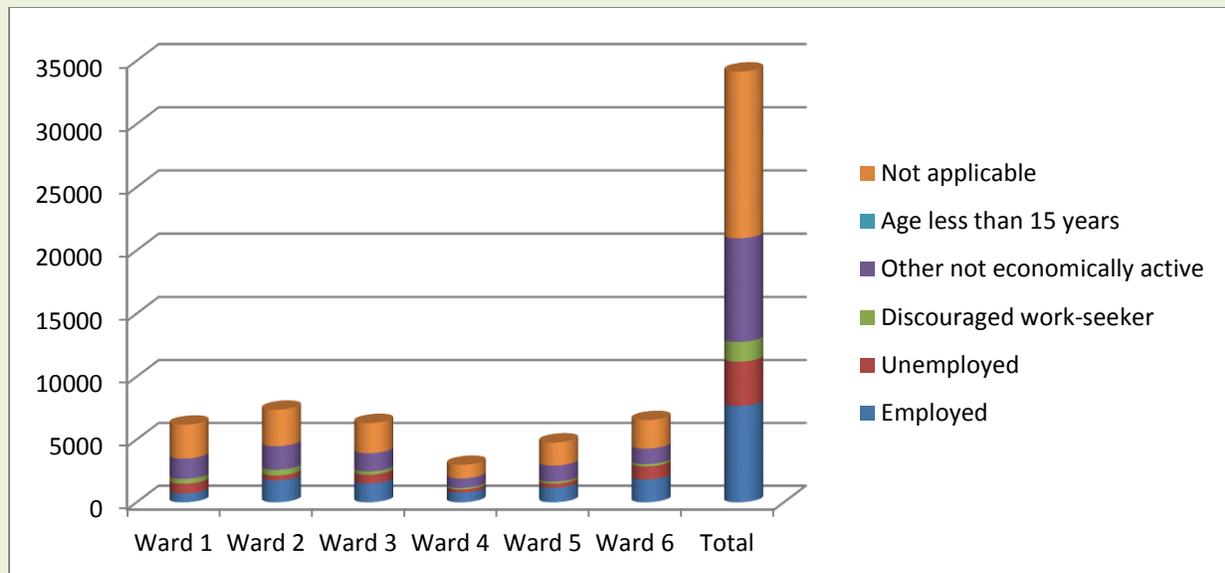


## SOCIO ECONOMIC STATUS

**Table:1.2.5**

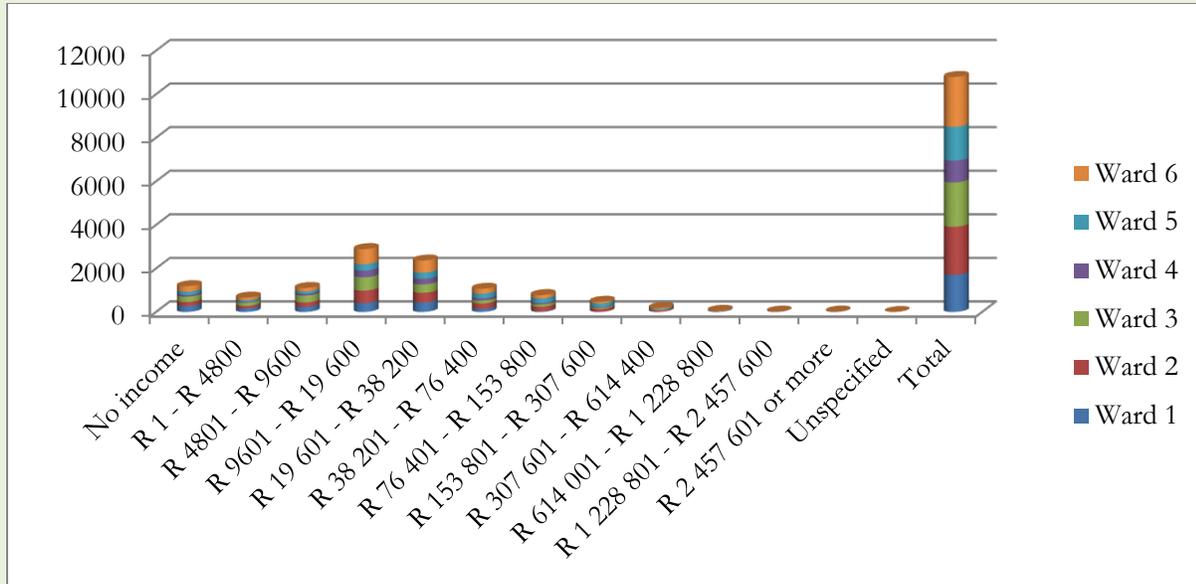
### Geography by official employment status

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Not applicable	Total
Ward 1	696	792	377	1619	-	2696	<b>6181</b>
Ward 2	1732	401	456	1878	-	2903	<b>7370</b>
Ward 3	1496	704	260	1446	-	2402	<b>6307</b>
Ward 4	775	246	130	751	-	1079	<b>2982</b>
Ward 5	1161	324	164	1276	-	1836	<b>4762</b>
Ward 6	1812	1050	184	1229	-	2268	<b>6543</b>
<b>Total</b>	<b>7672</b>	<b>3518</b>	<b>1571</b>	<b>8200</b>	<b>-</b>	<b>13185</b>	<b>34146</b>



**Annual household income**

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	272	186	248	78	150	251	<b>1186</b>
R 1 - R 4800	167	112	150	39	74	120	<b>662</b>
R 4801 - R 9600	241	197	314	88	102	161	<b>1101</b>
R 9601 - R 19 600	408	575	608	311	292	693	<b>2888</b>
R 19 601 - R 38 200	434	447	385	262	280	554	<b>2362</b>
R 38 201 - R 76 400	140	250	136	106	213	221	<b>1065</b>
R 76 401 - R 153 800	30	214	103	67	207	154	<b>776</b>
R 153 801 - R 307 600	11	131	52	35	161	78	<b>467</b>
R 307 601 - R 614 400	2	60	26	9	48	43	<b>189</b>
R 614 001 - R 1 228 800	-	22	5	1	16	13	<b>56</b>
R 1 228 801 - R 2 457 600	-	5	5	1	6	2	<b>19</b>
R 2 457 601 or more	-	9	5	2	4	2	<b>22</b>
Unspecified	-	-	-	-	-	-	-
<b>Total</b>	<b>1704</b>	<b>2208</b>	<b>2036</b>	<b>1000</b>	<b>1552</b>	<b>2292</b>	<b>10793</b>



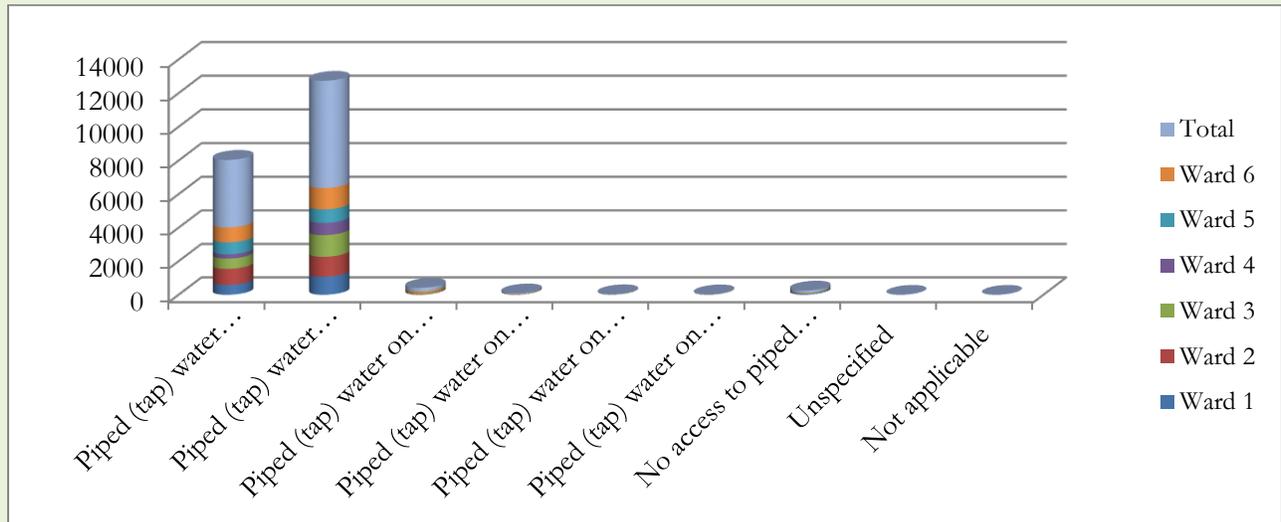
Overview of neighborhoods within Mohokare Local Municipality		
Settlement Type	Households	Population
<b>Towns</b>		
Smithfield	748	1893
Rouxville	382	1355
Zastron	435	1195
<b>Sub-Total</b>	<b>1565</b>	<b>4443</b>
<b>Townships</b>		
Mofulatshepe	3901	13714
Roleleathunya	1706	5955
Matlakeng	1200	3584
<b>Total</b>	<b>6807</b>	<b>23253</b>

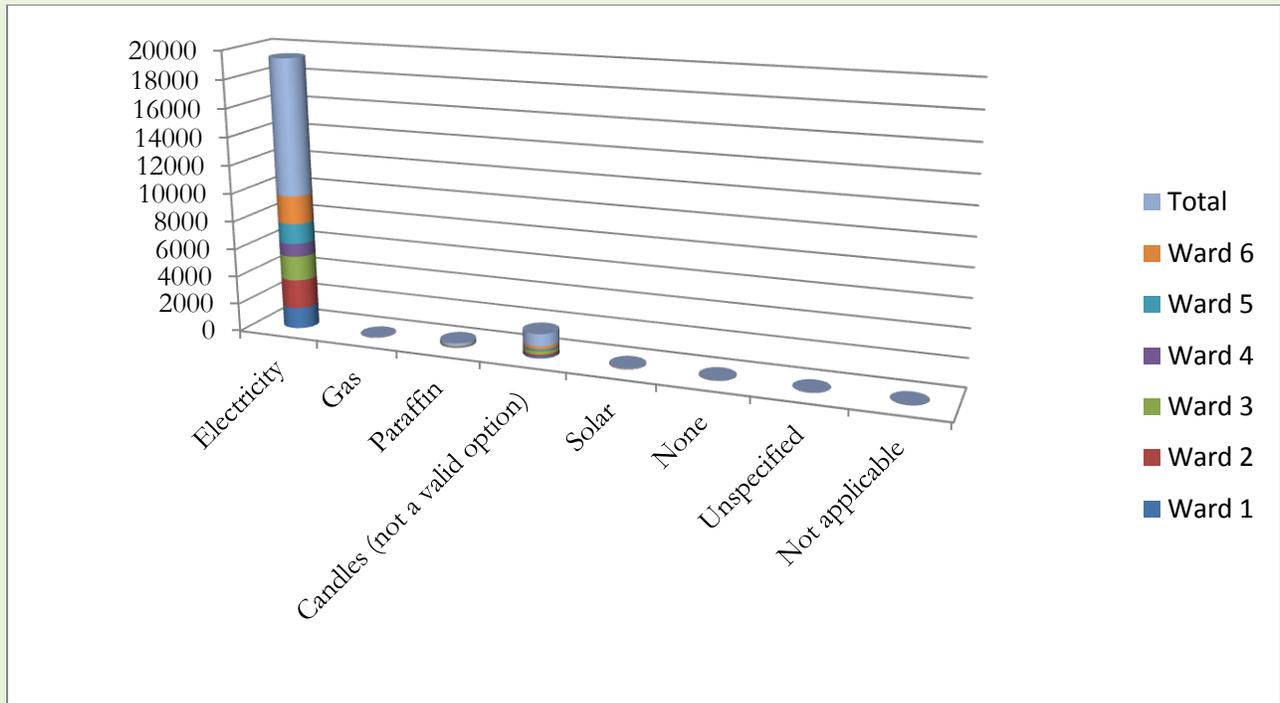
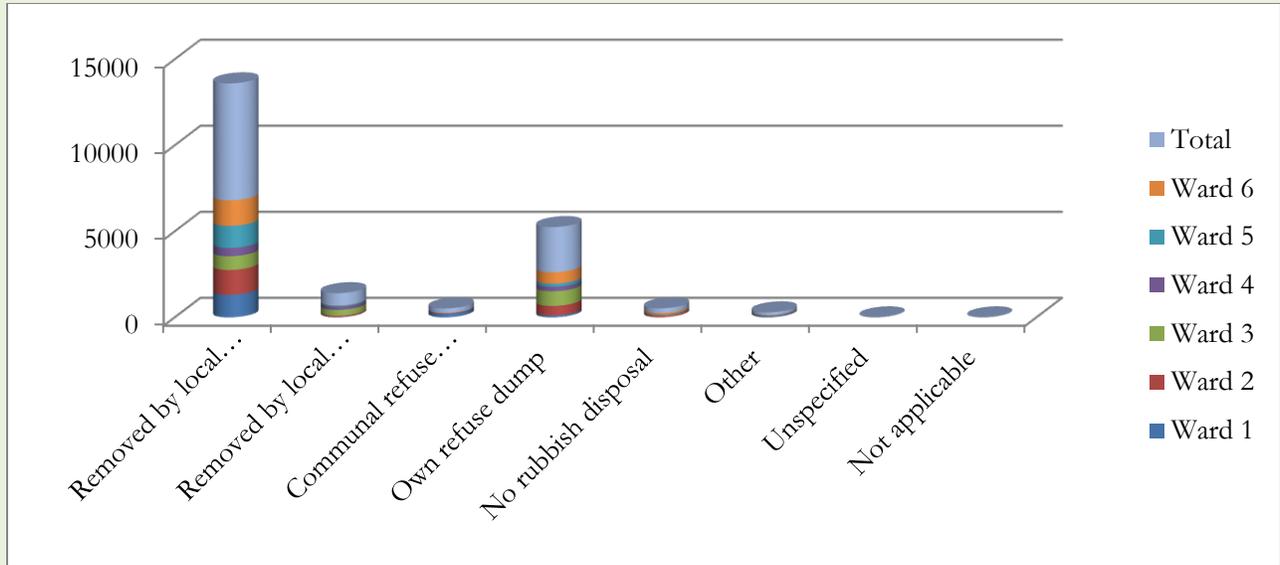
### 1.3 SERVICE DELIVERY OVERVIEW

Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which include commercial businesses, schools, and hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services





The municipality faced and is still facing draught challenges as far as raw water supply is concerned. Although all the households have access to water supply, the raw water supply was a challenge due to the draught. The eradication of buckets still can't be concluded due to the BEP that is on hold.

## 1.4 FINANCIAL HEALTH OVERVIEW

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately.

Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in compliance with the GRAP accounting framework and the municipality complied with provisions of GRAP 17 (Property, Plant and Equipment).

### **Pricing of Services**

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

### **Rates**

The rates increased by 10% during the year under audit

### **Service Charges**

The 6% increase in water tariffs are as a result of (amongst other factors), the water loss intervention programme, the increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments.

### **Indigents**

Furthermore, the number of indigents has increased from 2050 to 2079 for the year under audit and in order to provide free services to residents who cannot afford to pay also contributed to the need to increase tariffs.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

### **General**

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

- The developmental challenge to address the service delivery backlogs in all towns of the municipality.
- The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.

The other general contributory factors for the increase in levels of rates and service charges were:

- \_ Salary increase of 6.00% with effect from 1 July 2016
- \_ Provision for the filling of critical vacancies;
- \_ Rollout of infrastructure and the provision of basic services; and
- \_ Increased maintenance of network and structures.

### **Intervention measures planned for 2015/2016 government debt**

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however there is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increase payment for services rendered.

Secondly, categorization of debtors per:

- \_ Department:
- \_ Business:
- \_ Households:

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt is standing at R119, 932,697.52 with a collection rate of 38%. To accelerate collection and increase the collection rate, the council reviewed the credit control and debt collection policy on the 26 May 2016.

Lastly, the municipality further employs the services of its lawyer to assist in the collection of outstanding debts.

### **Council properties**

Council properties are not ratable as per the rates policy.

### **Arrest a debt**

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

### **Unemployment and National Credit Act**

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay. These customers could not raise loans to pay outstanding Municipal accounts because of the National Credit Act. The banks requirements for

granting loans became stringent and that had a huge impact in recovering outstanding amounts.

### Asset Register

A GRAP compliant asset register had now been compiled and the infrastructure assets had been unbundled. The biggest challenge now is the maintenance of the assets and the asset register.

### Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house.

The municipality's budget is compiled per the format as prescribed by the MFMA.

### Key challenges facing the municipality

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

Financial Overview: Year 2015 - 16				
Details	Original budget	Adjustment Budget	Actual	Previous Year AFS
Income:				
Grants Operational	143,440,550	123,320,000	95,519,312	45,807,155
Grants - Capital	107,109,842	139,299,763	45,646,420	2,923,020
Taxes, Levies and tariffs	145,408,566	133,751,922	66,896,845	47,553,917
Other	20,414,245	27,935,606	15,895,532	1,607,810
<b>Sub Total</b>	<b>416,373,203</b>	<b>424,307,291</b>	<b>223,958,108</b>	<b>97,891,902</b>
Less: Salaries & Councillor Allowance	93,808,778	98,169,683	49,583,235	56,760,363
Less: Non Cash expenditure - Depreciation and provision	83,856,725	84,134,080	30,576,254	48,873,180
Less: Bulk Purchases	41,350,234	42,771,456	26,973,014	23,607,805
Less: Maintenance	11,708,688	11,949,618	3,444,039	4,224,805
Less: Other	42,546,646	43,714,620	14,423,629	-38,940,874
Less: Conditional Grants	169,595,518	180,936,567	18,432,561	1,763,598
Less Capital	4,075,282	2,221,263	79,737	-389,020
<b>Less: Expenditure</b>	<b>446,941,872</b>	<b>463,897,286</b>	<b>143,512,470</b>	<b>95,899,858</b>
Net Total*	<b>-30,568,669</b>	<b>-39,589,996</b>	<b>80,445,638</b>	<b>1,992,045</b>
* Note: surplus/(deficit)				T 1.4.2

**COMMENT**

**Income**

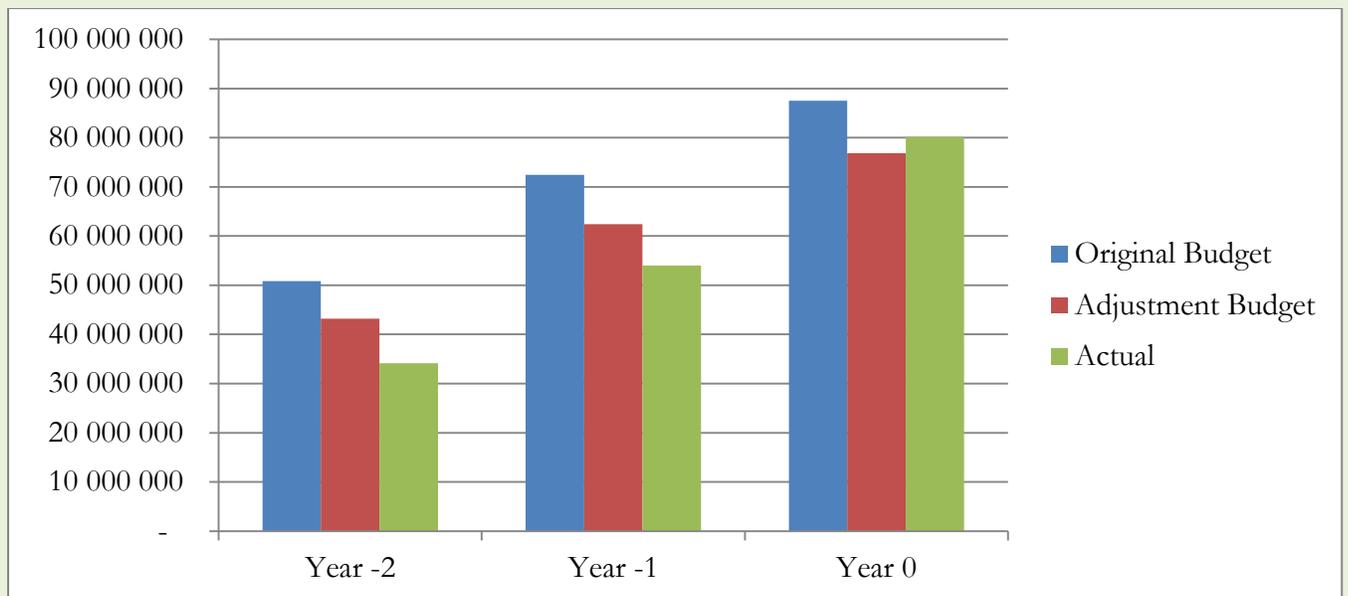
The municipality is grant reliant. R141 million is grants received compared to R61 million from own operations.

**Expenditure**

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios	
Detail	%
Employee Cost	32.2%
Repairs & Maintenance	19.6%
Finance Charges & Impairment	1.8%

Total Capital Expenditure: Year -2 to Year 0			
Detail	Year -2	Year -1	Year 0
Original Budget	50 819 640	72 435 713	87 508 100
Adjustment Budget	43 198 000	62 423 895	76 860 000
Actual	34 113 495	53 987 745	80 152 000



## 1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

**The section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's :**

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

The Mohokare Local Municipality has adopted a scorecard as its performance measuring tool. The municipality adopted a Performance Management Framework in 2015/16 Financial Year. The framework has been reviewed and was adopted by Council at a Council meeting held on the 25<sup>TH</sup> of February 2016.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 54A and 56 Manager Positions;
- Signed performance agreements by Section 54A and 56 Managers;
- Disciplinary processes against Section 54A and 56 Managers;

## 1.6 AUDITOR GENERAL REPORT

The Municipality progressed from qualification to an unqualified audit opinion with emphasis drawn to the following Matters:

- Restatement of corresponding matters
- Material losses
- Material impairment
- Going concern
- Irregular expenditure
- Unaudited disclosure notes
- Report on other legal and regulatory requirements
- Predetermined objectives
- Compliance with legislation

**The final Management Report is attached in Chapter 6 of this report.**

## 1.7 STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Council's oversight function the municipality should submit their Annual Report as soon as possible after the financial year end ideally this ought to be end of August.

The anticipated process for the creation, submission, review and approval for the 2015/16 Annual Report is set out in the table below:

NO	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	31 <sup>st</sup> August 2015
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01 <sup>st</sup> July 2015
3.	Finalise the 4th quarter Report for previous financial year	15 <sup>th</sup> July 2015
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	31 <sup>st</sup> August 2015
5.	Municipal entities submit draft annual reports to MM	N/A
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	31 <sup>st</sup> August 2015
7.	Mayor tables the unaudited Annual Report	N/A
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31 <sup>st</sup> August 2015
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	31 <sup>st</sup> January 2016
10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	31 <sup>st</sup> August 2015

NO	ACTIVITY	TIMEFRAME
11.	Municipalities receive and start to address the Auditor General's comments	31 <sup>st</sup> January 2016
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31 <sup>st</sup> January 2016
14.	Oversight Committee assesses Annual Report	31 <sup>st</sup> March 2016
15.	Council adopts Oversight report	31 <sup>st</sup> March 2016
16.	Oversight report is made public	07 <sup>th</sup> March 2016
17.	Oversight report is submitted to relevant provincial councils	07 <sup>th</sup> March 2016
18.	Commencement of draft Budget/ IDP finalisation for next financial year	31 <sup>st</sup> March 2016
19.	Annual Report and Oversight Reports to be used as input	31 <sup>st</sup> May 2016

*Note that the annual performance report and the financial statements form part of the Annual Report.*

The Final Annual Report will be submitted to National and Provincial Treasuries', COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.

# CHAPTER 2

## GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa chapter 7, section 160(1) are vested in the municipal council, which has legislative authority and executive authority. The Municipal Council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the Council are implemented.

#### **Corporate management support – Council and committees**

The Standing Rules and Orders of Mohokare Local Municipality govern that the speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan, the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted major by-laws, policies and plans. It has subsequently appointed the committees in terms of the Structures Act dealing with vast responsibilities which are fully functional: Section 79 committees, MPAC, Oversight Committee, the Audit Committee, Ward Committees, and SPLUMA Committee.

Council meetings are functional with ordinary council meetings sitting once quarterly with special council meetings called by the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements council resolutions to achieve strategic objectives.

## 2.1 POLITICAL GOVERNANCE

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998

Mohokare is made up of three former TLC Local Authorities which are Zastron, Rouxville and Smithfield. The 2008/2009 demarcation processes saw this municipality increase from having only 5 wards to 6 wards and this process brought about a gain of one more seat in the council, meaning that Mohokare LM now has a total number of 11 public representatives constituting the council, however this did not change the type of a council Mohokare was - it remained to be a plenary type of a Council.

Subsequent to the successfully held May 18, 2011 Local Government elections, the Council changed as outlined below:

1. Mayor & Ward 4 Councilor:	Cllr. M.A. Shasha
2. Ward 1 Councilor	Cllr. T. Khasake
3. Ward 2 Councilor	Cllr. M. Letele
4. Ward 3 Councilor	Cllr. L. Lekhula
5. Ward 5 Councilor	Cllr. E.T. Backward
6. Ward 6 Councilor	Cllr. R. Thuhlo
7. Democratic Alliance PR Councilor	Cllr. I. Riddle
8. Democratic Alliance PR Councilor	Cllr. S. Pokane (now Sephoka)
9. African National Congress PR Councilor	Cllr. M. J. Sehanka
10. African National Congress PR Councilor	Cllr. N. I. Mehloimakulu
11. African National Congress PR Councilor	Cllr. B. S. Majenge

Councilors are elected by the local registered voters in their respective wards and represent their respective constituents in local council. Mohokare has a total of eleven (11) seats with nine (9) councilors from the ANC and two (2) from the DA.

Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings)

### Introduction to political governance oversight

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on these committees chaired by a nominated councillor as outlined below:

- **Section 79 portfolio committees**

Five Council Portfolio committees have been established in line with section 79 of municipal structures act, 1998 and their meeting schedule adopted by council, they sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the standing rules and orders of council. All the five committees are functional. The following Councilors

serve as chairpersons of the committees:

Initials and surname	S79 Committee
Clr. R.J. Thuhlo	Finance
Clr. E.T. Backward	Planning and Local Economic Development
Clr. L. Lekhula	Corporate Services Committee
Clr. T. Khasake	Community Services
Clr. B. Majenge	Technical Services

- **Council Oversight committee**

The MFMA governs the establishment of an Oversight Committee for the detailed analysis and review of the annual report and the annual performance report. Following the reports being tabled in Council, receiving and reviewing representations made by the public and inputs from other Councillors and then drafting an oversight report for Council's adoption. The annual report of the financial year 2014/2015 was adopted by council in January 2016.

The current oversight committee consists of the following members:

Initials and surname	Capacity
Clr I Riddle	Councillor, Chairperson
Mr L Thene	Community Member
Me VL Tuoane	Community Member
Mr Vapi	Risk Management Committee, Audit Committee member

- **Audit Committee / Performance Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality.

The Regulations give municipalities the option to establish a separate performance audit committee

whereas the MFMA provides only for a single audit committee.

According to the regulations, the performance audit committee must review the quarterly reports submitted to the committee by the internal audit unit, the municipality's performance management system and make recommendations in this regard to the council. The audit committee should at least twice during a financial year submit an audit report to the municipal council.

The Audit Committee / Performance Audit committee comprises of the following members:

<b>Initials and surname</b>	<b>Capacity</b>
Ms. K. Mackerduth	Chairperson
Ms. M.P Koatla	Member
Mr. V.W Vapi	Member
Ms. Z Chonco	Member

- **Risk Committee**

The Risk Committee emanates from the risk management unit which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

The Risk Committee comprises of the following members:

<b>Initials and surname</b>	<b>Capacity</b>
Mr. V.W Vapi	Chairperson replaced by Mr. Ntseko Maqabe
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

- **Municipal Public Accounts Committee (MPAC)**

The MPAC will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality.

The following councillors serve as members on the MPAC:

Initials and surname	Capacity
Clr S Sepoka (Pokane)	Chairperson
Clr MJ Sehanka	Member
Clr MA Letele	Member

### **Agri Forum**

The Agri Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups.

### **Local Labour Forum**

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the SALGBC
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and it meets monthly. The municipality received a certificate of performance for the functional local labour forum from SALGA on 10 November 2015.

## **POLITICAL STRUCTURE**

### **MAYOR**

Clr. Agnes Mokgoro Shasha

**SPEAKER**Clr. Agnes Mokgoro Shasha

### **CHIEF WHIP**

Clr. R. J Thuhlo

### **HONOURABLE COUNCILORS**

Cllr. T. Khasake

Cllr. M. Letele

Cllr. L. Lekhula

Cllr. E.T. Backward

Cllr. I. Riddle

Cllr. S. Pokane (now Sephoka)

Cllr. M. J. Sehanka

Cllr. N. I. Mehlomakulu

Cllr. B . S. Majenge



Councillor Bangani Majenge  
African National Congress



Councillor Julia Shanka  
African National Congress



Councillor Thabo Khasake  
African National Congress



Councillor Elroy Backward  
African National Congress

Councillor Retshedisitswe Thuhlo  
African National Congress



Councillor Irene Mehlomakhulu  
African National Congress

Councillor Agnes Shasha  
African National Congress

Councillor Selloane Sephoka  
Democratic Alliance



Councillor Lefa Lekhula  
African National Congress

Councillor Mojalefa Letele  
African National Congress

Councillor Stephen Riddle  
Democratic Alliance

The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is of the interest of its constituency which are communities in Mohokare

jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people's lives and the implementation of these resolutions is delegated to the Accounting Officer, the Municipal Manager.

The following outstanding council resolutions were recorded as not being concluded on the 30th of June 2016:

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
26 August 2015	<b>Electricity</b> Council took note of the report and requested the Director Technical Services to sort out the issue of the street lights lacking bulbs in Ward 6.	Director Technical Services	40%	CENTLEC has already started however the backlog is still huge	CENTLEC to continue with the programme until it has been completed
	<b>Customer Satisfaction survey</b> Council authorized for the survey to be conducted by utilizing ward committee members, ward assistants and community development workers to ensure full participation from the households and business entities.	Director Corporate Services	33%	In Smithfield there is no ward committee to conduct the survey in Ward 6. Zastron - the ward committee and CDW's reported the difficulty of distributing and completing the survey as the questionnaire covers the previously reported complaints therefore the community is not prepared to take part in the survey.	The survey will be undertaken in the 2016/2017 financial year.

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
26 November 2015	<b>Rouxville Regional Bulk Water Scheme</b> Council resolved that the Rouxville WTW project to be expedited as soon as the adjudicators report is available.	Director Technical Services	20%	Legal implications	Implementation after the adjudicators report is made available.
	<b>Vacant municipal properties</b> Council took note of the report and resolved that should there be any additional site/s that will be identified whilst the supply chain processes are undertaken, such sites/s should be considered or included within the package that will be set aside for disposal.	Manager Community Services	70%	Verification processes should have been undertaken before any disposal processes could proceed with	Implementation of Supply chain processes for disposal of the identified municipal vacant sites
	<b>Licensing of Landfill sites</b> That the Office of the Manager Environmental Health and the official delegated for Local Government Support: Environmental, constantly have to communicate with the DESTEA to	Manager Community Services	50%	This matter is beyond the control of the municipality	

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
	ensure that quality work is delivered by the consultants during the re-application process.				
29 February 2016	<p><b>Establishment of pounds</b></p> <p>a) Communication with commonage farmers will be done in writing with regard to the council resolution.</p> <p>b) The Municipal Manager, Chairperson of the Community Services Committee and the Manager Community Services have to fast track the matter on erection of impounding camps by the following week (04/02/2016) so that the farmers challenges can be resolved.</p>	Manager Community Services	60%	<b>Consultations with organized farmers, specifications that had to be obtained and lastly the cash flow problem of the municipality were factors that delayed the process</b>	Implementation of supply chain management processes. Submissions from Interest bidders are awaited.
26 May 2016	<b>Upgrading of sports ground Mofulatshepe</b> The Municipality	Director Technical Services	50%	Failure from the Main contractor to appoint sub-contractors	The Municipality to invite all local



Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
	the best option or else to report back to Council on the Jet machine.				
	<p><b>Municipal vacant sites for disposal</b></p> <p>a. Council approved that the processes for sale of sites should unfold as per the supply chain management system.</p> <p>b. The item was referred to the next special council meeting whereby council will make the following amendments on the Policy:</p> <ul style="list-style-type: none"> <li>-Community members with no sites should be given first priority when sites are being sold.</li> <li>-A site should be developed after a certain time of sale or else the municipality will take back the site following the correct procedures.</li> </ul>	Manager Community Services		Finalization of the necessary Policy and verification of lists delayed the process on disposal of the identified vacant sites within the municipality	Supply chain processes to be implemented on the issue of land disposal
	<p><b>Title Deeds</b></p> <p>The Community Services Manager has to prepare the title deeds so that</p>	Manager Community Services		Verification title deeds and Municipal services account to ensure that	Issued?

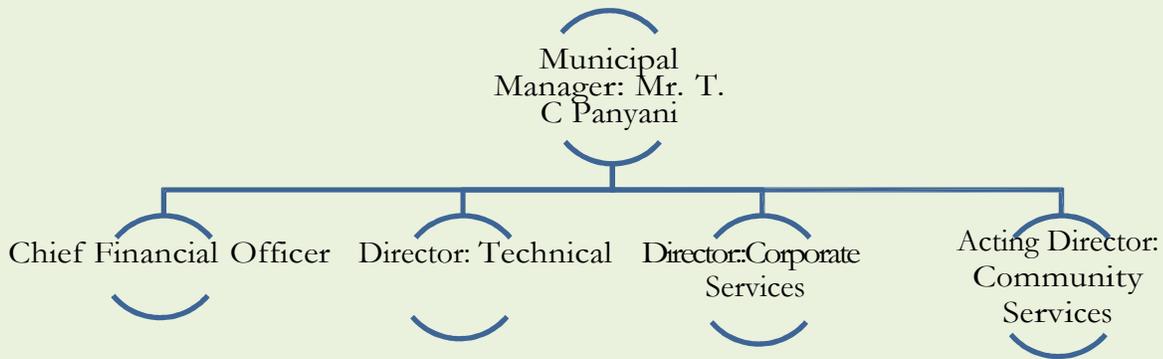
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
	Ward Councilors will be able to issue it in their community meetings.			they are correctly registered under the correct names and site.	
	<p><b>Closure of Initiation site in Zastron</b></p> <p>Clr. Backward has to meet with the committee and thereafter table a report on their findings.</p>	Manager Community Services		Theft of municipal livestock during initiation period	Implementation of the policy on operation and management of initiation schools. Initiation schools should no longer be permitted on the Zastron Mountains but should move to municipal land.

## 2.2 ADMINISTRATIVE GOVERNANCE

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational structure that talks to the needs of Council and the Powers and Functions of a plenary type Municipality.

The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

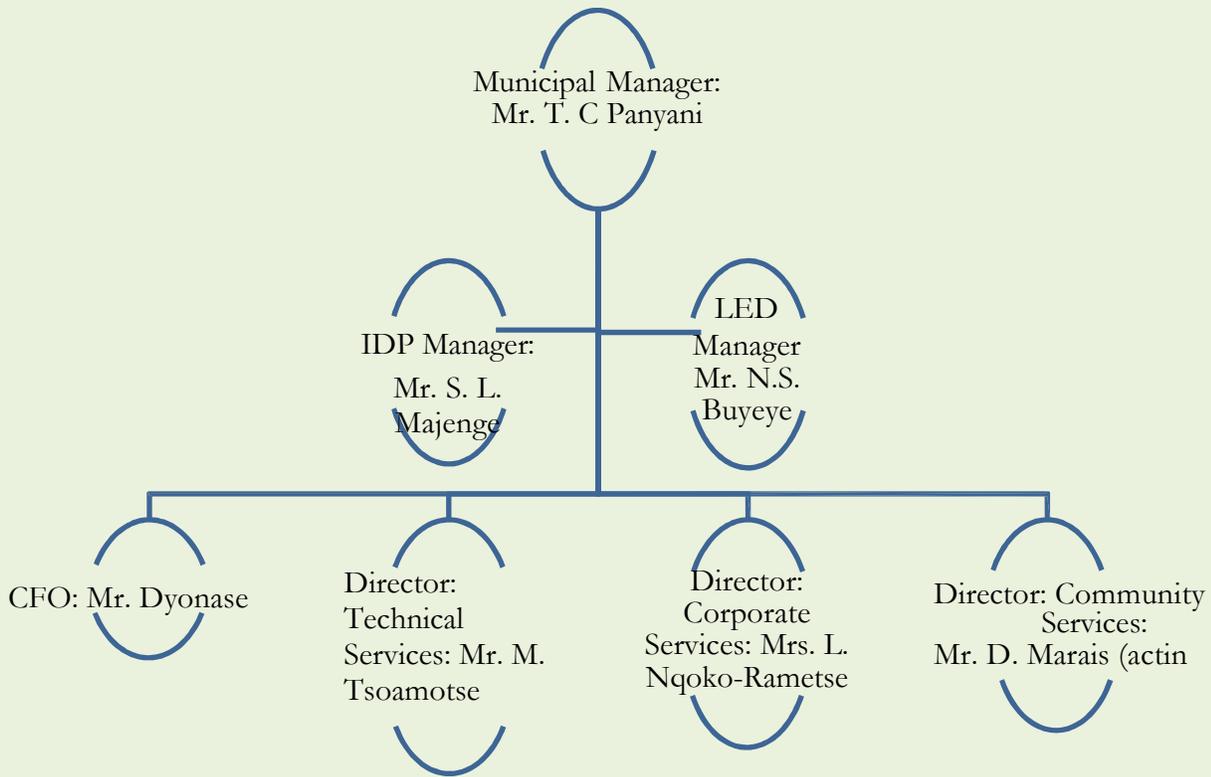
The Municipality is headed by the Municipal Manager and Managers directly accountable to the Municipal Manager, currently the top management structure Mohokare Local Municipality is as shown below;



During the 2015/2016 financial year, all posts of Managers directly accountable to the Municipal Manager were filled during the year under review, top management posts are outlined as follows:

Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. M. N. Tsoamotse
Director: Community Services:	Mr. D.Marais (acting)
Director: Corporate Services:	Mrs. L. V Nqoko-Rametse

The Municipal Manager and the Heads of Department extended to the Integrated Development Planning Manager & the Local Economic Development Manager form the management of Mohokare Local Municipality. Therefore, the Management structure is as shown below;



**TOP MANAGEMENT TEAM**

**Municipal Manager**

**Mr. C. T. Panyani**



**Chief Financial Officer: Mr. P.M Dyonase**



**Corporate Services Director:  
Mrs. L.V Nqoko-Rametse**



**Acting Community Services Director:  
Mr D Marais**



**Technical Services Director:  
Mr M.N Tsoamotse**

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 INTERGOVERNMENTAL RELATIONS**

The Inter-governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

#### **Municipal Managers Forum**

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, integrated development plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

There are two structures of IGR, the Political IGR and the Technical IGR; The Political IGR is the structure for Mayors and Councilors and the technical structure for Municipal Managers and Key Managers and Officials.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by. The Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000

#### **2.4. PUBLIC MEETINGS**

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act, Ward Councilors are required to hold at least one public meeting per ward per quarter, Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public all through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 6 wards and 5 ward committees that are functional. The municipality publishes its public meeting in local newspapers and also utilizes the municipal website, notices and loud hailing to inform the community on public meetings to broaden its public participation.

IDP/Budget review meetings were held in all 6 wards in May 2016 with stakeholders and the community to consult and also to assist in prioritizing the community needs for consideration in the planning of the operations of the municipality.

There is also a stakeholders forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

**Public Meetings**

<b>Nature and purpose of meeting</b>	<b>Date of events</b>	<b>Number of participating Municipal Councillors</b>	<b>Number of Participating Municipal Administrators</b>	<b>Number of Community members attending</b>	<b>Issue addressed (Yes/No)</b>	<b>Dates and manner of feedback given to community</b>
Mayoral Imbizo	24-26 Nov 2015	10	8	Number vary from town to town	Yes	Feedback formed part of ward meetings report
Awareness Programme: Woman Trafficking and Drug abuse	Nov-Dec 2015	4	10	+ - 300	Yes	None
IDP/ Budget consultative meetings	10-12 May 2016	11	10	Number vary from town to town	Yes	Feedback second round of consultation in May 2016
Ward Community Meetings	Quarterly	one per ward	4-5 per ward	Number vary from ward to ward	Yes	monthly-Quarterly
Commonage Policy Consultations	July/ Sept / Nov 2015 Feb 2016	1 per ward	5	Number vary from ward to ward	Yes	Feedback formed part of ward meetings report

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	NO
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

## INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.

## COMPONENT D: CORPORATE GOVERNANCE

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

### 2.6 RISK MANAGEMENT

The need to manage risk systematically applies to all components and to all functions and activities within Mohokare local municipality

An effective risk management strategy helps the municipality to meet its objectives by ensuring that everyone has a clear understanding of:

- The vision, mission & objectives of the municipality;
- Factors that could impact on the municipality's ability to meet its objectives
- Actions necessary to ensure objectives are met.

The municipality has a functional risk management committee, which meets four times in a year and there were two meetings held on 2015/16 financial year, which was on the 28th of August 2015 and 25 November 2015, on both meetings a quorum was formed.

An effective risk management strategy can improve accountability by ensuring that risk are explicitly stated and understood by all parties that the management of risk is monitored and reported on and that action is taken based on the results.

Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal.

Ensure opportunities are not missed and surprises cost don't arise.

**The table below indicates progress made by departments in addressing the risks:**

<b>OVERALL RISKS IDENTIFIED</b>				
<b>Directorate</b>	<b>Total no. of risks</b>	<b>Completed</b>	<b>In-progress</b>	<b>No progress</b>
Community Services	5	2	2	1
Corporate Services	1	0	1	0
Financial Services	13	2	1	10
Municipal Manager	7	0	4	3
Technical Services	6	0	1	5
<b>Total</b>	<b>32 (100%)</b>	<b>4 (12.5%)</b>	<b>9 (28.13%)</b>	<b>19 (59.38%)</b>

**TOP 5 Risks of the Municipality (based on the above table):**

- Annual Levy not paid to compensation fund.
- Municipality does not budget to purchase legal software's, fire suppression system and Disaster Recovery Server.
- Non-functioning bid committees in regard to adhering to schedule.
- Lack of monitoring of service providers to ascertain completion of projects
- Employee performance not assessed.

**2.7 ANTI-CORRUPTION AND FRAUD**

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were submitted to and approved by the Risk Management Committee and Audit Committee on the 28 of August 2015:

- Fraud prevention plan in place
- Fraud and corruption policy in place
- Fraud Risk Register

Provincial Treasury conducted awareness to all the possible fraud risk areas, Finance, HR & Technical Services. The aim of the awareness was to have an updated fraud risk register with all the possible fraud risk documented in the register and monitored.

**2.8 SUPPLY CHAIN MANAGEMENT**

The Mohokare SCM Policy is adopted and in line with section 112 of the MFMA.

The Mohokare SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and also approved by Treasury.

Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be complied with. There are ranges of procurement processes within the SCM Policy of the Municipality which is in line with the Model Policy (guideline). Performance management is also included in the Mohokare Supply Chain Policy.

There is a newly developed performance tool by SCM with the assistance of PMU and PMS and is to be included as part of the SLA when a contract is signed by Mohokare Local Municipality and a service provider.

## 2.9 BY-LAWS

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were newly adopted or during the year and no by-laws in existence was revised.

Section 10 (1) of the Establishment Notice of Mohokare LM (Provincial Notice 181 of 2000) reads as follows:

“By-laws and resolutions (including standing delegations) of a disestablished municipality ...

(a)

Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality”

As a result there are the by-laws of the disestablished municipalities in Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare Municipality.

The following By-Laws were promulgated by the Mohokare Local Municipality since its establishment to date:

- Rules and Orders By-Law, 2007
- Credit Control and Debt Collection By-Law, 2008
- Impoundment of Animals By-Law , 2008
- Dumping and Littering By-Law, 2008
- Property Rates By-Law, 2009
- Keeping of Animals By-Law, 2009
- Ward Committee By-Law, 2012
- Tariff Policy By-Law, 2012
- Indigent Support By-Law, 2012
- Informal Settlements By-Law, 2012
- Refuse Removal By-Law, 2012
- Control of Street Vendors, hawkers etc. By-Law, 2012
- Advertising By-Law, 2012
- Water Services By-Law, 2012
- Land Use Planning By-Law, 2015

## 2.10 WEBSITE

Mohokare Local Municipality's website can be found at [www.mohokare.gov.za](http://www.mohokare.gov.za).

<b>MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL</b>		
<b>Documents published on the Municipality's Website</b>	<b>Yes/ No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget-related documents	Yes	2016-04-08
All current budget-related policies	Yes	2016-06-15
The previous annual report (Year -1)	Yes	2015-09-11
-The annual report (Year 0) published/to be published	Yes	2016-04-08
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2015-09-22
All service delivery agreements (Year 0)	No	-
All long-term borrowing contracts (Year 0)	No	-
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	2016-07-11
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	-
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	-
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	-

## MUNICIPAL WEBSITE AND CONTENT

Section 21B of the Municipal systems act requires all municipalities to establish their own official website, the website enables municipalities to deliver information to the public this is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Municipal Local Municipalities has established its own website that is managed and hosted internally, the website contains a newly developed structure, it is accessible, easy to use and it is regularly uploaded with key documentation and information as set out in Local Government Municipal Finance Management Act section 75 or any other applicable legislation. The website at the current stage does not have a function of measuring the number of the public visiting the

website , the function is provided for in the ICT strategy as adopted by Council and plans are underway to accommodate for the function.

## **2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

The municipality did not undertake community satisfaction surveys during the year 2015/2016 and the previous year's survey conducted did not realise a satisfactory sample of respondents, therefore data is inadequate to analyse service feedback.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The municipality is a Water Services Authority and a Water Services provider for all its three towns namely; Smithfield, Rouxville and Zastron. The municipality uses its own funds for the abstraction, purification and supply of drinking water. The Municipality is currently facing challenges with the supply of drinking water due to shortage of raw water in Rouxville and lack of bulk infrastructure in both Smithfield and Zastron. Bulk water supply projects are currently underway in Rouxville and Zastron which are aimed at addressing these challenges. All households in three towns have been provided with taps in yards and this has been set as the minimum service level for the Municipality.

All households have been provided with waterborne sanitation (except for 44 households in Rouxville which are still under construction) and this has been set as the minimum service level for the Municipality. The Municipality has been investing its Capital budget in the upgrading of the waste water treatment works, with Smithfield plant project completed in 2013 and currently upgrading and the Zastron works undertaken with completion due in September 2016.

All households in three towns have been provided with an electricity connection and this means that the Municipality has reached the universal target on this service. The main challenges remain to transfers of the electricity meter box from shacks to recently build RDP houses. Aerial lighting projects were prioritised by the Municipality with 16 high mast lights constructed during 2013 in Refengkhotsa/Zastron and 14 high mast lights were completed in 2014 in Somido Park-Smithfield.

The Municipality has been struggling to provide maintenance to its roads infrastructure due to lack of yellow fleet, however the following access roads projects were prioritised namely; 2 km in Roleleyathunya/Rouxville completed in 2011, 2.9 km in Matlakeng/Zastron completed in 2015 and 5 km in Somido Park/Smithfield which is currently under construction.

## COMPONENT A: BASIC SERVICES

### 3.1 WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

The Municipality is currently failing to meet the water demand due to limitations in raw water supply. Below are limitations and strategies to achieve basic standard per supply system:

Town	Limitation	Strategy
Zastron	Lack of capacity in the water treatment works (WTW) and raw water supply pipeline	WTW currently been upgraded. A 15 km raw water pipeline upgrading is now complete and awaits completion of the two pump stations
Rouxville	Lack of capacity in the water treatment works and raw water source	27 km raw water pipeline from Orange river to Rouxville which has now stands at 80% completion stage
Smithfield	Lack of capacity in the raw water pipeline	11 boreholes has been drilled and equipped to supplement surface water while awaiting funding for pipeline upgrade. WTW was upgraded in 2011.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1979300	113794
Year 0	0	0	0	1708632	93283,53

As a small municipality, we only cater water services to domestic and commercial users. The municipality does not have agriculture, forestry and industrial sectors.

The Municipality towns can be classified a very rural and therefore does not have industries and agricultural sectors within the municipal water supply network. Most of the water supplied goes to residential areas ( $\pm$  60 percent) with a small percentage ( $\pm$  12 percent) to schools and health facilities like hospital and clinics. About 20 percent of the purified water remains unaccounted for due to losses within the network as well as unmetered supplies.

<b>Water Service Delivery Levels</b>				
<b>Description</b>	<b>Households</b>			
	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
<b>Water: (above min level)</b>				
Piped water inside dwelling				
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling )	42	42	42	57
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above Percentage</i>				
<b>Water: (below min level)</b>				
Using public tap (more than 200m from				
Other water supply (more than 200m from dwelling	255	255	255	266

Water Service Policy Objectives Taken From IDP									
Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)	Current Year (viii)	*Current Year	*Following Year (x)
All formally declared settlements receiving portable water (10973)		10973 HHs)	10973 HHs)	10973 HHs)	10973 HHs)	10973 HHs)	10973 HHs)	10973 HHs)	10973 HHs)
Improve blue drop to 80% by June 2016	Achieve the 80% rating on Blue drop criteria	80%	72%	80	-	-	-	-	-

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	19	1	5%
4 - 6	24	24	23	1	4.2%
7 - 9					
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	46	47	45	2	4.3%

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-1,688	975,801	988,265	410,816	-138%
Expenditure:					
Employees	1,665,453	2,270,747	3,690,779	947,587	-140%
Repairs and Maintenance	0	0	0	0	0%
Other	372,916	782,340	642,676	30,096	-2499%
<b>Total Operational Expenditure</b>	2,038,369	3,053,087	4,333,455	977,683	-212%
<b>Net Operational Expenditure</b>	2,040,057	2,077,287	3,345,191	566,868	-266%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.1.8

Financial Performance Year 2015-16: Water Services					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	44 794 798	84 843 937	76 848 824	93 819 153	10%
Expenditure:					
Employees	6 793 514	6 871 450	11 842 390	11 687 706	41%
Repairs and Maintenance	897 671	1 610 595	1 831 283	1 144 240	-41%
Other	9 854 767	83 323 431	76 234 804	54 355 394	-53%
Total Operational Expenditure	17 545 952	91 805 476	89 908 477	67 187 340	-37%
Net Operational Expenditure	-27 248 846	6 961 540	13 059 654	-26 631 814	126%

The Municipality given its current financial year budget will be able to achieve almost seventy (70) percent of its year 5 targets. Major projects to be completed in this financial year relates to Bulk water supply infrastructure in Rouxville and Zastron namely:

- Upgrading of the Rouxville water treatment works
- 27 km raw water pipeline from the Orange river to Paisley dam in Rouxville
- Upgrading of the Zastron water treatment works
- Upgrading of the Zastron 15 km raw water pipeline including two pump stations

The above mentioned projects are aimed at addressing the current and future water demand. The Municipality has recognized that its development entirely depends on the sustainability of water supply. All the above mentioned projects are funded by the Department of Water and Sanitation through its Regional Bulk Infrastructure Grant and Municipal Water Infrastructure Grant.

### 3.2 WASTE WATER (SANITATION) PROVISION

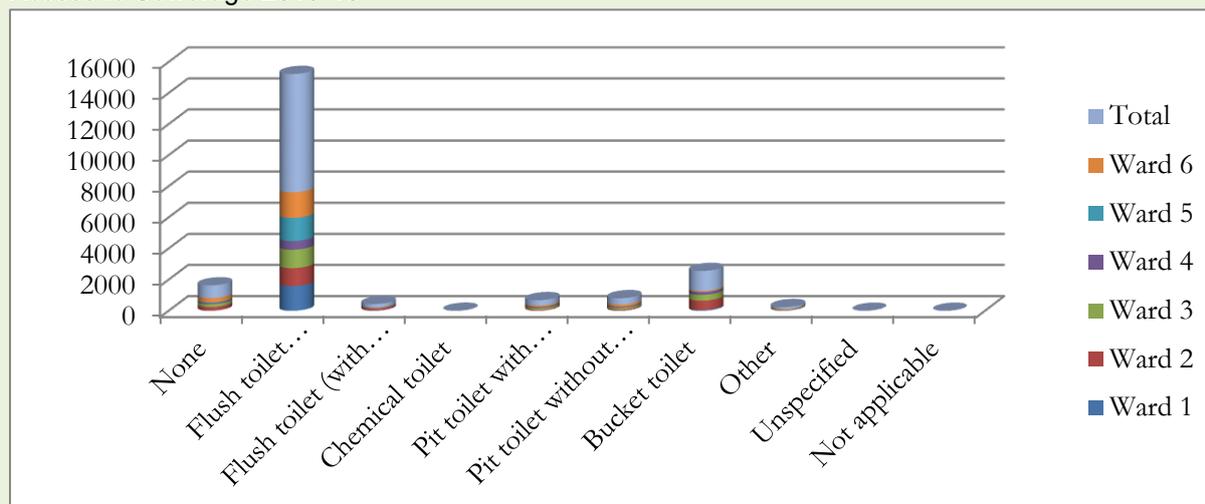
The Municipality has been heading to a call by National government call to eradicate buckets system. Below table shows progress made towards this national call.

Town	Backlog -2011	Buckets eradicated to date	Current backlog
Zastron	33	33	0
Rouxville	777	433	344
Smithfield	54	54	0

There has been major progress made to eradicate the remaining buckets in Rouxville as all the toilet structures and house connections have been completed. Work on the mainline has been delayed by hard rock.

The Municipality has further adopted water-borne sanitation as its level of service; however studies for alternative sanitation service due to water scarcity are still underway. The Municipality has also developed a green drop improvement plan and accordingly its annual performance was demonstrated on the green drop results. The municipality has further focused on the upgrading of its three waste water treatment works, (Smithfield plant been completed in 2013) and the Zastron plant is still under construction.

## Access to Sewerage 2015-16



Sanitation Service Delivery Levels				
Description	*Households			
	Year -3	Year -2	Year -1	Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b>Sanitation/sewerage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	6163	6163	7614	10749
Flush toilet (with septic tank)	356	356	217	217
Chemical toilet	76	76	3	3
Pit toilet (ventilated)	453	453	341	341
Other toilet provisions (above min. service level)	131	131	118	118
<i>Minimum Service Level and Above sub-total</i>	10793	10793	10793	10793
<i>Minimum Service Level and Above Percentage</i>	9,41%	9,413%	6,29%	6,29%
<b>Sanitation/sewerage: (below minimum level)</b>				
Bucket toilet	1263	1263	1269	134
Other toilet provisions (below min. service level)	535	535	535	535
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>	1798	1798	1798	669
<i>Below Minimum Service Level Percentage</i>	16,65%	16,65%	16,65%	6,198%
<b>Total households</b>	<b>10793</b>	<b>10793</b>	<b>10793</b>	<b>10793</b>
<b>*Total number of households including informal settlements</b>				<i>T 3.2.3</i>

Households - Sanitation Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	1798	1798	1063			44
level	1798	1798	1063			44
Proportion of households below minimum service level	16,65%	16,65	9,84%	25%	25%	0,41%

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target	Actual	Target	Target	Target	Target
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Rapid bucket eradication	Eradication of Backlogs 1027		1027 outstanding	1027 outstanding	1027 outstanding	1027 outstanding	1027 outstanding		
Improved green drop	70% rating achieved		-	-	-	-	-	-	-

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	40	40	40	0	0%
4 - 6	6	27	6	21	77.8%
7 - 9					
10 - 12	3	3	3	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	49	70	49	21	30%

Financial Performance Year 2015-16: Waste Water Management					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	24,474,772	32,704,188	33,800,169	16,445,888	-99%
Expenditure:					
Employees	8,721,026	17,823,176	13,198,958	8,055,159	-121%
Repairs and Maintenance	176,729	3,037,257	4,295,000	78,504	-3769%
Other	1,425,120	32,346,586	31,818,745	1,740,030	-1759%
<b>Total Operational Expenditure</b>	10,322,875	53,207,018	49,312,703	9,873,693	-439%
<b>Net Operational Expenditure</b>	-14,151,897	20,502,830	15,512,534	-6,572,195	412%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8

Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Total Project Value
Total All	14 170	8 721	9 505	22%	22 902
Upgrading of the Zastron	14 170	8 721	9 505	22%	22 902

The municipality has been experiencing sewage spillages within its towns due to aged infrastructure and inappropriate usage of system by community. Mayor spillages have also been experienced in some part of Zastron (Refengkhotoso), were upon a sewage investigation program which includes CCV camera operation were undertaken. The municipality is currently implementing recommendations based on the findings on the investigation report.

The municipality will further be conducting community awareness campaigns as part of its endeavor to reduce sewage blockages in the coming financial year.

### 3.3 ELECTRICITY

The Municipality is the Electricity services authority but it has however appointed CENTLEC (entity of Mangaung Metro) to provide this service on its behalf. Some of the households, mostly in the townships fall within Eskom supply area. The Municipality currently does not have backlogs as all its households have been connected to electricity supply grid. This was achieved through funding from the department of Energy (DoE).

The Municipality has also been providing aerial lighting services to its community by installing high mast lights and street lighting under the Municipal Infrastructure Grant (MIG) program. Sixteen (16) high mast lights and 44 street lights were installed in Zastron/Refengkhotso (2013/14) and fourteen (14) high mast lights were installed in Smithfield (2014/15). T 3.3.1

Electricity Service Delivery Levels				
Description	Households			
	Year-3	Year-2	Year-1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least min.service level)	8667	8867	9681	10723
Electricity - prepaid (min.service level)	8667	8667	9681	10653
<i>Minimum Service Level and Above sub-total</i>	1926	1926	1112	70
<i>Minimum Service Level and Above Percentage</i>	17,844%	17,884%	10,31%	0.65%
<b>Energy: (below minimum level)</b>				
Electricity (< min.service level)	1926	1926	1112	70
Electricity - prepaid (< min. service level)				
Other energy sources				
<i>Below Minimum Service Level sub-total</i>	1926	1926	1112	70
<i>Below Minimum Service Level Percentage</i>	17,844%	17,884%	10,31%	0.65%
<b>Total number of households</b>	10793	10793	10793	10793

Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	Year-3	Year-2	Year-1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	1926	1926	1112			70
Households below minimum service level	17,844%	17,884%	10,31%			0.65%
Proportion of households below minimum service level	1926	1926	1112			70

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Electrification of all households 10973	Maintenance of the 100% electrified households in	10793	10793	10793	10793	10793	10793		

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12	0	3	0	3	100%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20					
Total	1	4	1	3	75%

Financial Performance Year 2015-16: Electricity					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	22,364,274	61,535,230	46,611,212	30,970,488	-99%
Expenditure:					
Employees	528,415	898,670	459,967	414,263	-117%
Repairs and Maintenance	884,450	3,340,171	429,358	952,226	-251%
Other	49,402,241	39,948,057	30,831,895	56,392,124	29%
<b>Total Operational Expenditure</b>	50,815,106	44,186,898	31,721,220	57,758,613	23%
<b>Net Operational Expenditure</b>	28,450,832	-17,348,332	-14,889,992	26,788,125	165%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.3.7

Below are some of the major projects that were implemented by the Municipality:

Project name	Expenditure – Source of funding	Financial year
Infills for 336 houses in Zastron and Smithfield	2.9 million - INEP	2010/11
Infills for 78 households in Zastron	200 Thousands - INEP	2011/12
Infills for 124 households in Zastron and Smithfield	400 Thousands - INEP	2015/16
Installation of 16 high mast lights in Zastron	4.2 million -MIG	2013/14
Installation of 14 high mast lights in Smithfield	3.2 million - MIG	2012/13

In delivering the above, the Municipality utilised both MIG and INEP grants as per allocation from the relevant sector department. The Municipality further utilised CENTLEC as per the signed service level agreement for the design and physical implementation of these projects.

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING (COMMUNITY SERVICES))

The above division is mainly responsible for removal of waste classified or meant for household and business uses.

On daily basis once per week, a programme has been implemented or followed to ensure removal of refuse within our communities. This service considered applicable matters as per the adopted municipal indigent policy during the implementation of the service.

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Households Year0
	Actual No.	Actual No.	Actual No.	Actual No.
<b><i>Solid Waste Removal: (Minimum level)</i></b>				
Removed at least once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-total</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above percentage</i>	50.9%	47.1%	51.5%	44.8%
<b><i>Solid Waste Removal: (Below minimum</i></b>				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
<i>Below Minimum Service Level sub-total</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	49.1%	52.9%	48.5%	55.2%
<b>Total number of households</b>	<b>5,685</b>	<b>5,699</b>	<b>5,523</b>	<b>4,991</b>
				<i>T 3.4.2</i>

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target	*Current	Actual	Target	*Current	*Following
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	Year (vi)	(vii)	*Current Year (viii)	Year (ix)	Year (x)
Service Objective xxx									
Provision of weekly collection service per household (HH)	Provision of household refuse to 10973 units	100%	63%	100%	63%	63%	100%	100%	100%

Employees: Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3	26	37	19	18	48.6%
4 -6	4	4	4	0	0%
7 -9					
10 -12	3	3	2	1	33.3%
13 -15					
16 -18					
19 -20					
Total	33	44	25	19	43.2%

Financial Performance Year 2015-16: Waste Management					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	5,111,976	19,810,200	19,907,480	10,282,501	-93%
Expenditure:					
Employees	4,825,249	9,544,458	9,339,751	5,506,242	-73%
Repairs and Maintenance	1,197	30,000	30,000	2,584	-1061%
Other	665,846	15,451,128	16,792,931	658,893	-2245%
<b>Total Operational Expenditure</b>	5,492,292	25,025,587	26,162,682	6,167,719	-306%
<b>Net Operational Expenditure</b>	380,316	5,215,387	6,255,201	-4,114,782	227%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.4.7

### 3.5 HOUSING

This division is responsible for registration and management of applicants in need of sites, the allocation thereof, registration and the allocation of houses and to address disputes of houses and sites. The entire above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. From the beginning of this Council's term, the Municipality had allocations as set out per the table as set out below. Town allocations and the project progress is set out per the Contractor in each Town.

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date
Zastron	2011 to 2016	100	Suprim-Trading	Provincial COGTA	Completed
		100	Furn Serve		Completed
		200	BOMAC CC.		In progress
Rouxville	100	LEVETICUS	Completed		
	100	STEEL & BUILDING CONSTRUCTION	Completed		
Smithfield		100			Completed
<b>TOTAL ALLOCATION</b>		700			

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	10276	10276	100%
Year -2	10276	10276	100%
Year -1	10276	10276	100%
Year 0	10276	10276	100%

Housing Service Policy Objectives Taken From IDP									
Service Objectives  Service Indicators (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Development of a human settlements plan by June 2016	Developed human settlements plan by June 2016	None	Draft document	None	None	None	Plan in place	Plan in place	Plan in place

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0 - 3					
4 - 6	2	3	2	1	33.3%
7 - 9					
10 - 12	1	1	1	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	3	4	3	1	33%

Financial Performance Year 2015-16: Housing					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	556,705	1,431,325	2,021,664	1,204,068	-19%
Expenditure:					
Employees	1,275,493	1,328,519	1,853,588	1,047,811	-27%
Repairs and Maintenance	0	0	0	0	0%
Other	3,842	19,721	13,455	18,319	-8%
<b>Total Operational Expenditure</b>	1,279,335	1,348,241	1,867,043	1,066,130	-26%
<b>Net Operational Expenditure</b>	722,630	-83,085	-154,621	-137,938	40%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5

Housing is not the core function of the Municipality but facilitate allocation and construction on behalf of both the Province and National sphere as it's their core mandate. In doing such, our Municipality has to ascertain the below as per the table;

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Identification of land for housing development	Availability of land and sites for developments	Reduction of backlog on sites and housing
Compilation of register for Applicants	Up to date registers for sites	
Compilation of a register for potential Beneficiaries	Up to date register for housing allocations	
Annual review of the Housing Sector Plan	Reviewed Housing Sector Plan	

T 3.5.7

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Basic services are generally regarded to be access to electricity, clean water within a reasonable distance of one’s dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigent qualify for the following free basic services:

- 6kl of free water
- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property



Free Basic Services To Low Income Households											
	Number of households										
	Total	Households earning less than R1,100 per month									
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse			
		Total	Access	%	Access	%	Access	%	Access	%	
Year -2	3,097	3,097	3,097	100%	3,097	100%	3,097	100%	3,097	100%	
Year -1	2,054	2,054	2,054	100%	2,054	100%	2,054	100%	2,054	100%	
Year 0	2,079	2,079	2,079	100%	2,079	100%	2,079	100%	2,079	100%	
										T 3.6.3	

Financial Performance Year 2016: Cost to Municipality of Free Basic Services Delivered					
Details	2014-15	2015-16		Actual	Variance to Budget
	Actual	Budget	Adjustment Budget		
<b>Water</b>	0	942,975	1,692,000	0	-94297500000%
Waste Water (Sanitation)	0	1,466,821	1,346,795	0	-146682090000%
Electricity	0	475,200	1,371,720	0	-47520000000%
Waste Management (Solid Waste)	0	1,466,821	1,346,795	0	-146682090000%
<b>Rates and Rates Levy</b>	0	730,599	597,298	0	-73059921000%
<b>Total</b>	<b>0</b>	<b>5,082,416</b>	<b>6,354,608</b>	<b>0</b>	<b>-101648320200%</b>
				T 3.6.4	
AWAITING THE POSTING OF VARIOUS JOURNALS					

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Provision of Free Basic services to Indigent households 2079	Provide 2079 households with FBE	2079	2079	2079	2079	2079	2079	2079	2079

## COMPONENT B: ROAD TRANSPORT

The Municipality has managed to develop a road and storm water master plan and is currently developing a road maintenance plan. The above mentioned plans are aimed at assisting in the management of this critical infrastructure.

The Municipality has further acknowledged its challenges in the maintenance of roads due to lack of yellow fleet. This challenge is currently being counteracted by implementation of roads projects which is focusing on the construction of an access road.

### 3.7 ROADS & WASTE WATER (STORM WATER DRAINAGE)

The Municipality has been implementing roads projects in line with its road and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the Municipality still faces challenges on maintenance of existing roads.

#### Challenge:

- Lack of yellow fleet for maintenance of roads
- Lack of proper storm-water channels which affects roads especially during rainy season

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	60	-	2,7	90	
Year -1	60	-	2,5	90	
Year 0	60	-	0	90	
Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tarroads re-tarred	Existing tar roads re-sheeted	Tarroads maintained
Year -2	21	-	-	21	18
Year -1	21	-	-	21	21
Year 0	21	-	-	21	21
					T 3.7.3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Elimination of gravel roads in townships	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	21 kms gravel roads tarred (150kms gravel roads remaining	Baseline (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)				
Development of a storm water drainage master plan by June 2016	Development of a storm water drainage master plan by June 2016	Plan In place	Achieved	Plan In place	Plan In place	Achieved	Plan in place	Plan in place	Plan in place

Employees: Road and Storm Water Services					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
0 – 3	13	16	13	3	18,8%
4 – 6	5	5	5	0	0%
7 – 9					
10 – 12	1	4	1	3	75%
13 – 15					
16 – 18					
19 – 20					
Total	19	25	19	6	24%

Financial Performance Year 2015-16: Roads and Transport					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1,064,991	29,671,372	46,178,502	9,727,848	-205%
Expenditure:					
Employees	4,996,826	7,781,648	5,723,394	3,760,058	-107%
Repairs and Maintenance	22,464	332,526	918,013	430,465	23%
Other	1,366,896	39,656,709	54,374,075	4,573,437	-767%
<b>Total Operational Expenditure</b>	6,386,186	47,770,883	61,015,483	8,763,960	-445%
<b>Net Operational Expenditure</b>	5,321,194	18,099,511	14,836,981	-963,888	1978%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.7.8

As indicated earlier, the Municipality has been prioritizing its access roads and below are the main projects implemented thus far:

- Upgrading of 2 km access paved road in Rouxville - completed in 2011
- Upgrading of the 2.9 km paved access road in Matlakeng – completed 2015
- Upgrading of 5 km paved access road in Mofulatshepe/Smithfield – under construction

### 3.8 TRANSPORT

The Municipality does not have an approved transport plan; however the plan will be developed once the spatial framework has been completed. Most of the transport functions which includes vehicle licensing and taxi licensing are currently been managed under the provincial government.

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

The Municipality is currently creating new storm-water channels on the existing residential areas through implementation of new access roads. In the 2013/14 financial year the Municipality constructed a 2 km access road in Rouxville/Roleleathunya and in the 2014/15 constructed 2.9 km access road in Zastron. The Municipality started with a 5 km access road project in Smithfield in April 2016.

The Municipality has not yet upgraded any existing storm-water channels due to huge backlog. Maintenance of the existing storm water channels is currently been done through the Expanded Public Works Program. Below tables indicates the length of storm-water done for the past three years including expenditure thereof:

Storm water Infrastructure				
				Kilometres
	Total Storm water Measures	New storm water measures	Storm water measures	Storm water measures
Year -2	145	0	0	22
Year -1	160	0.4	0	30
Year 0	166	1.3	0	26.76

<b>Cost of Construction/Maintenance</b>			
			<b>R' 000</b>
	<b>Storm water Measures</b>		
	<b>New</b>	<b>Upgraded</b>	<b>Maintained</b>
Year -2	0	0	R110 000.00
Year -1	632,800	0	R 120 000.00
Year 0	2,337,396	0	R 158 400.00

The Municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblocked underground storm-water channels in certain sections of Matlakeng/Zastron.

### 3.10 PLANNING

#### MAIN ELEMENTS OF PLANNING STRATEGY

##### SPLUMA COMPLIANCE

- Spatial Planning By law;
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Development of a land use scheme for Mohokare as per SPLUMA within 4 years (2019).

##### LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Building control; and
- Land use management.

##### By-laws:

The following by laws assisting in town planning were adopted, in place and are implemented to assist in the management of municipal land.

- Standard Control of Street Vendors, Peddlers and Hawkers By-law;
- Standard Advertising By-Law;
- Standard Informal Settlements By-law; and
- Spatial planning and land use management by-law on municipal land use planning

#### ACHIEVEMENTS

Mohokare municipality was the first municipality to be fully compliant to SPLUMA.

Municipal Planning Tribunal was advertised in the Government Gazette on 12 June 2015 – ready for 1 July 2015 implementation date.

Spatial Development Framework Review with the assistance of Spatial Planning, COGTA, was presented to Council on 28 June 2016 and approved by Council.

The updated Town Planning Policy with the incorporated SPLUMA principles was approved by Council on 28 June 2016.

The Mohokare Land Use Scheme is being drawn up with the assistance of Spatial Planning, COGTA and PULA.

<b><u>STRENGTHS</u></b>	<b><u>WEAKNESSES</u></b>
<p>Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget.</p> <p>Professional planner</p> <p>National and Provincial support</p> <p>SPLUMA – new supportive legislation</p> <p>Good working relations with Senior Management Team</p>	<p>Lack of localized knowledge in terms of spatial planning and land use management GIS</p> <p>Lack of information-communication technology</p> <p>Turn-around time for town planning processes to run its course, eg. Rezoning, consolidations - Will hopefully change with implementation of SPLUMA</p>
<b><u>OPPORTUNITIES</u></b>	<b><u>THREATS</u></b>
<p>Effective implementation of SPLUMA in terms of land use</p> <p>Development and planning opportunities</p> <p>Future growth within the wall-to-wall boundaries of the municipality</p> <p>Smooth Land use management and governance</p>	<p>Illegal occupation of land</p> <p>Inadequate budget for processes of own planning in terms of own land development – eg 54 sites in Mofulatsepe</p>

### **LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT**

Identification of Erf 4195 Zastron for development of a Farmer Production Support Unit (26/05/2016)

Possible sites identified for solar farms at Zastron and Rouxville (PiA Solar SA (Pty) Ltd. 6/09/2015)

### **ZONING AND REZONING, CONSOLIDATION, SUBDIVISION**

<b>ERF NUMBER</b>	<b>OWNER</b>	<b>REQUEST FOR:</b>	<b>ACTION TAKEN</b>
ER 1/111 ZASTRON	N.J. MAJENGE	Rezoning	Approved by Council subject to bond holder's letter
ERF 1/207 ZASTRON	V. Tsele to sell to Matlakeng Congregation of Jehovah's Witnesses when rezoning is approved	Rezoning	Approved by Council
ERF 73 ZASTRON	R.Mdalana	Rezoning	Not approved due to heritage issues and non-approval of building plan
ERF 51-56 SMITHFIELD	OVK	Consolidation	Approved by council
Erf 1/55 Zastron	Motheo College	Rezoning	Awaits Municipal tribunal sitting
Erf 704 Zastron		Rezoning	Awaits Municipal tribunal sitting

## **LIQUOR LICENSE APPLICATIONS**

### **6 applications**

1 approved and signed: La Riviera Rouxville;  
5 not approved/recommended and not signed by Municipal manager;  
Lwando's lounge – Smithfield;  
Dreamer's Restaurant – Smithfield;  
Taung Tavern – Matlakeng;  
Boiteko Liquor Store – Somido Park; and  
The Dream Enterprise – Rouxvile.

**BUILDING PLAN REGISTER 2015/16**

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
16/07/2015	Paid	R. MDALANA	73	Zastron		X		X	Not approved due to building older than 60 years
06/10/2015	18210	M. MAPAHA	702	Zastron	X			X	Not approved –sewerage infrastructure not enough. Zoned as single residential and Owner wants to Put up 6 flats. Wrong erf number on plan
08/10/2015	19007769	N. Mnyameni	797	Somido park		X	X		Approved but land use not correct for business
08/10/2015	199007775	MC Ralotholo	1117	Greenfields		X		X	Ownership of erf problematic – not approved yet
14/10/2015	Paid via EFT	Goedemoed Prison	GOEDEMOED PRISON	Goedemoed		X		X	Not approved Approved after it had to be done by architect
30/10/2015	Paid via EFT		The stables Farm Rouxville district	Rouxville/ Aliwal north		X	X		Approved
03/11/2015	19008090	L.A. Moletsane	40	Rietpoort		X		X	Proof of Ownership Required
14/12/2015	18300	NC Mpetha	300	Zastron		X			In progress
26/01/2016	19008597	D. Kareli	814	Smithfield	x				In process

DATE	INVOICE	SURNAME	ERF NR	TOWN	NEW PLAN	EXTENSION	APPROVED	NOT APPROVED	COMMENTS
17/02/2016	13013751	P. Tladi	105	Smithfield		x			In process
19/02/2016	Not paid	Van Tonder J	1/516	Zastron		x		X	Not paid and problems as per report
15/02/2016	paid	Goedemoed prison	Goedemoed prison	Goedemoed	As built				Approved
15/01/2016	13011598	Rx agri union	Auction pens	Rouxville	As built				approved
14/03/2016	Not paid yet	M.D. Mdalane	511	Zastron		x		X	Cannot build flats – single residential zoning
11/05/2016	Paid	Nur Hussain	558	Zastron		x		X	During site visit and looking at foundations dug, Building plan not the same as what was supposed to be built in reality.
31/05/2016	19009933	Mr. Hlalela	26	Mofulatsepe		x		X	Technical problems with plan
02/06/2016	13014281	Me. Thandi	70	Zastron		x		X	Cannot build flats – single residential zoning

## SERVICE DELIVERY PRIORITIES

### Land use applications according to SPLUMA and new E-lodgment format

Constant information is given to the community and individuals on the new Act governing Land use. This was done by devising a new policy based on SPLUMA principles. New application forms have been developed for use in submitting applications.

### Spatial Development Framework and Land Use Scheme development

Meetings were held with Spatial Planning COGTA as well as Pula who is assisting in drawing up the Land Use Scheme for Mohokare as per SPLUMA. Land use definitions have been looked at to fit into the new scheme and the SPS's identified through SPLUMA and Free State COGTA.

### Building plans

A format was created to assist in the smooth flow of the approval of building plans, called the Building Plan Process checklist.

## MEASURES TO IMPROVE SERVICE DELIVERY

1. Doing weekly and monthly reports and "reconciliation" of work done and assistance given through each month.
2. Doing follow up calls or site visits where needed.
3. Created a BUSINESS LICENSE PROCESS CHECKLIST for issuing business licenses in the next financial year as there is a need from business owners to have a valid business license

Applications for Land Use Development						
Detail	Formalization of townships		Rezoning		Built Environment	
	Year-1	Year 0	Year-1	Year 0	Year-1	Year 0
Planning application received	0		5		0	17
Determination made in year of receipt	0		3		0	17
Determination made in following year	0		0		0	0
Applications withdrawn	0		0		0	0
Applications outstanding at year end	0		2		0	0
						T 3.10.2

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 –3					
4 –6					
7 –9					
10 – 12					
13 –15	1	1	1	0	0
16 –18					
19 –20					
Total	1	1	1	0	0
<i>T 3.10.4</i>					

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-1,688	975,801	988,265	410,816	-138%
Expenditure:					
Employees	1,665,453	2,270,747	3,690,779	947,587	-140%
Repairs and Maintenance	0	0	0	0	0%
Other	372,916	782,340	642,676	30,096	-2499%
<b>Total Operational Expenditure</b>	2,038,369	3,053,087	4,333,455	977,683	-212%
<b>Net Operational Expenditure</b>	2,040,057	2,077,287	3,345,191	566,868	-266%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.10.5</i>

### **3.11 LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)**

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 are 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.” Its role therefore is to create enabling environment for economic development and growth.

In order to realize its vision of economic development the municipality has identified the following key economic sectors:

- Agriculture and Agro-processing
- Tourism Development
- Cooperatives and SMMEs Development
- Manufacturing
- Small scale mining
- Investment

#### **Agriculture and agro-processing**

Xhariep district has been identified as an agricultural node and Mohokare local municipality as part of the district has prioritized agriculture as its economic backbone. In the past year the agriculture sector suffered huge setbacks as a result of drought. Though the LED unit recommended the approval of land applications for agricultural activities in Zastron, Rouxville and Smithfield, nothing much could be done due to lack of rain and extreme drought. Be it noted that in Rouxville the Department of Agriculture donated 23 head of cattle to Tshwaranang cooperative (11 Bosmara and 12 Ngini).

The refurbishment of the aqua-culture project which was vandalized in 2015 has been completed by the department of agriculture and the fish breeding project is set to be operational before end of the year. Underneath find land applications which have been approved by council:

NAME OF APPLICANT/COOPERATIVE	INTENDED PROJECT
Leratha 55 agric. Cooperative	Poultry farming
Zondwazintshaba cooperative	Sand stone mining
Rerapellakgotso primary cooperative	Piggery and vegetable farming
Mohloding center for development	Crusher stone plant/quarrying
Goat farming cooperative	Goat farming
Tshwaranang agriculture cooperative	Dairy farming
Sakhisizwe venture project	Vegetable farming
Molikeng car wash	Car wash & chisanyama
Town hall car was	Car wash
Itshebeletse Motjha cooperative	Poultry farming
Tshepang Shabe	Recycling at the land fill site
Bokamoso ba rona	Poultry farming
Cherry Blossom cooperative	Eggs farming

### **Agriculture Strategy**

Having realized some challenges in the agriculture sector, the LED compiled an agriculture Strategy with a purpose of identifying opportunities in the sector, challenges and possible solutions particularly on land question. On commonage land in all the three towns there is a serious challenge of overgrazing that can be attributed to mass eviction of farm workers from commercial farms. The contents of the Strategy therefore seek to provide possible solutions to this scourge of overgrazing.

### **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. During 2015 the LED unit proposed to council the advertisement for business proposals on tourism development and enhancement and the interested parties were also invited to come and make presentations to municipal management team on their proposals. Due processes have been completed and the LED unit has made its recommendation that the matter of appointing a successful bidder be subjected to both bid evaluation and adjudication committees for recommendation to the accounting officer before end August 2016. Once the partnership approach gets off the ground and is proved to be successful it will be extended to the other two units of Mohokare.

The LED Unit was also able to gather information on tourism destinations and establishments in Mohokare and some of them were marketed in Durban during the Tourism Indaba and will be compiled into a brochure once budget is available.

### **Cooperatives and SMMEs Development**

In the past the LED Unit has been very instrumental in assisting with the registration of cooperatives in all the three units of Mohokare. The second phase of this program was to ensure that the registered cooperatives receive necessary support in a form of funding or purchase of equipment. The LED Unit through its partnership with The Department of Small Business Support Tourism and Environmental Affairs has been able to assist local SMMEs to apply for Micro-Enterprise Support Program from the department. So far out of this initiative two applications in Rouxville were approved; namely: Mobile kitchen for Me Valashiya Printing studio for Mohokare Innovation Primary Cooperative

The LED Unit further developed a Small Medium and Micro Enterprise Development Policy that is intended to promote and advance the economic interests of local contractors and business community. The policy also seeks to protect local business against external competition and give priority to local SMMEs when the institution:

Procures goods and services

Dispose goods no longer needed

Selects contractors to provide assistance in the provision of municipal services

For smooth facilitation and coordination of economic development, the LED Unit had established Local Economic Development Forums in Zastron and Smithfield while development programs in Rouxville are being facilitated by RDA.

### **Manufacturing & Small Scale Mining**

Although council, through the recommendation of LED Unit, was able to approve land applications for starting manufacturing and Small Scale Mining projects, nothing much has been realized this far due to lack of funding from funding institutions. The Department of Mineral Resources has also been of little assistance in rolling out the applications for SSM permits. However, the Department of Rural Development and Land Reform in partnership with the LED Unit are still working on unlocking the program.

### **Aqua-culture/fish breeding project**

The project was funded by the Department of agriculture to the tune of R1.14 million during 2013/2014 financial year, but could not get off the ground due to vandalism that occurred on the brick and mortar structure. Following a series of discussions between the LED Unit, the beneficiaries and the department the structure was refurbished and completed at the beginning of the year 2016. According to the department's schedule the beneficiaries will be receiving relevant training during the month of September 2016 and the project will start with full operations before end of the year.

### **Mining**

The only mining operations unfolding in the municipal boundaries are on small scale basis. These operations are conducted by individuals who are mining clay soil to make building bricks. The LED Unit has already held discussions with the Department of Mineral Resources in quest to have them formalized and issued with small scale mining permits. The process is still ongoing.

Currently both the EPWP and the CWP projects account for a large portion of job creation in the municipality, although on contractual basis. For the municipality to tackle and reduce the scourge of unemployment and poverty alleviation the Department of Agriculture needs to speed up the operation of the aqua-culture project in Zastron. This project alone, once it operates optimally, can be able to create more than thirty permanent jobs for local people. Mining and quarrying projects combined can account for more than hundred and fifty permanent jobs. Be it noted that all these projects can fall within short term plan given the fact that land has been approved by council for their implementation.

<b>Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)</b>				
<b>Total Jobs created / Top 3 initiatives</b>	<b>Jobs created No.</b>	<b>Jobs lost/displaced by other initiatives No.</b>	<b>Net total jobs created in year No.</b>	<b>Method of validating jobs created/lost</b>
Total (all initiatives)		None	None	Reports
Year -2	49	None	None	Reports
Year -1	12	None	None	Reports
Year 0	114	None	None	Reports

<b>Job creation through EPWP* projects</b>		
<b>Details</b>	<b>EPWP Projects No.</b>	<b>Jobs created through EPWP projects No.</b>
Year -2	4	220
Year -1	3	78
Year 0	3	78
<i>*- Extended Public Works Programme</i>		<i>T 3.11.6</i>

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		Previous Year	Current Year (iv)	Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Grow Mohokare Local Economic Development	Through the partnership with SALGA a draft LED plan has been developed and is due to be tabled in Council for adoption on the 26th of March 2016			Reviewed LED Strategy by June 2016	Reviewed LED Strategy by June 2016				
				Develop SMME support policy by June 2016	Develop SMME support policy by June 2016				
				Develop Agricultural Strategy by June 2016	Develop Agricultural Strategy by June 2016				

Employees: Local Economic Development Services					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12	0	1	0	0	0%
13-15	1	1	1	1	100%
16-18					
19-20					
Total	1	2	1	1	50%

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
<b>Total Operational Expenditure</b>	0	0	0	0	0%
<b>Net Operational Expenditure</b>	0	0	0	0	0%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.15.5

## **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

This component includes: libraries and archives, museums arts and galleries, community halls cemeteries and crematoria, child care, aged care social programs, theatres.

### **INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES**

In contexts of our Municipality, this department serves to bring about changes and developments through the below strategies, Traffic policing, solid waste management, amenities, land and housing administration and the management and improvement of sports and its facilities.

#### **3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER**

This division is responsible for provision of services specifically on the following areas; Promotion of learning and sport and sporting activities, from within this division, the Municipality is currently managing and administering community facilities as the rest are of the Provincial and National departments' competence.

The prioritized deliverables in this current financial year are the following;

Upgrading of Mofulatshepe Sports Ground in Smithfield.

Development of the Policy for use and Management of Sports facilities

Priorities progress/outcome

The upgrading has commenced and still in progress or ongoing.

The Municipality Managed to develop a Policy that is aimed to assist both the Municipality and the Community on managing and regulating the use of sports and the sporting facilities throughout the Municipality.

#### **SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER**

The municipality is only responsible with management of community halls through Corporate Services in terms of renting it out to the community. The Community services department is responsible for maintenance of the halls.

Employees: Libraries					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12	2	2	2	0	0%
13 – 15					
16 – 18					
19 – 20					
<b>Total</b>	2	2	2	0	0%

Financial Performance Year 2015-16: Libraries					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	13,411	491,335	497,611	206,545	-138%
Expenditure:					
Employees	168,211	1,280,761	631,326	155,756	-722%
Repairs and Maintenance	0	0	0	0	0%
Other	8,188	62,314	63,622	0	-6231408000%
<b>Total Operational Expenditure</b>	176,399	1,343,075	694,948	155,756	-762%
<b>Net Operational Expenditure</b>	162,988	851,740	197,337	-50,789	1777%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.6

There has never been projects planned for the above facilities (Community Facilities) except the upgrading of Mofulatshepe Sports ground. See report or details under sports and facilities.

### 3.13 CEMETERIES

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries operational in each town due to sites been allocated to its full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality.

Financial Performance Year 2015-16: Cemeteries					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	44,544	121,558	124,630	64,135	-90%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	0	250,000	150,000	30,000	-733%
Other	0	0	0	0	0%
<b>Total Operational Expenditure</b>	0	250,000	150,000	30,000	-733%
<b>Net Operational Expenditure</b>	-44,544	128,442	25,370	-34,135	476%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.13.5</i>

### **3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES**

The Municipality does not manage or have all of the above as they are not its core-mandate but has building from within which Early Childhood Development Centers are operation.

### **COMPONENT E: ENVIRONMENTAL PROTECTION**

Pollution control is not a core function of the municipality; therefore all the tables in this component are not applicable to the municipality.

### **COMPONENT F: HEALTH**

This component includes: clinics, ambulances and health inspection

### **3.15 ENVIRONMENTAL HEALTH MANAGEMENT**

#### **MUNICIPAL HEALTH SERVICES**

The Xhariep District Municipality (XDM) has devolved municipal health services from the municipality in the year 2010. This is in line with the legislative requirements of section 84 of Chapter 5 of the Municipal Structures Act. A service level agreement was entered into by the Mohokare Local Municipality and the Xhariep District Municipality to render Municipal Health Services (MHS) as defined by the National Health Act, 2003 (Act No. 61 of 2003). The XDM has deployed a qualified and registered Environmental Health Practitioner (EHP) to render MHS within the Mohokare Municipal jurisdiction.

The service delivery priorities are:

Drinking Water Quality Monitoring

Wastewater Effluent Quality Monitoring

Integrated Waste Management Planning

Health, Hygiene and Environmental Education, Awareness and

Impact of the service delivery priorities:

#### **Drinking Water Quality Monitoring:**

The EHP conducted monthly audit water sampling of registered sample points in each of the three towns. The samples collected were delivered for analysis at a SANAS approved laboratory. Water quality conformance was measured against set standards of the South African National Standards for Drinking Water, SANS 241:2015.

#### **Wastewater Effluent Quality Monitoring:**

Once quarterly, wastewater effluent samples were collected from the outlet of the three wastewater treatment plants of the municipality. The samples were analyzed by an accredited SANAS approved laboratory. Sample results to verify compliance was measured against the requirements as pertained in Government Gazette Number 665 of 6 September 2013.

**Integrated Waste Management Planning:**

The Xhariep District Municipality reviewed its Integrated Waste Management Plan as per requirement of the National Environmental Management: Waste Act, 2008 (Act No 59 of 2008). The plan seeks to integrate waste management activities, services and plans and align these with National, Provincial and Local Government priorities.

**Health, Hygiene and Environmental Education, Awareness and Training:**

To achieve through health, hygiene and environmental education and training communities that take charge of their health, to effect social and behavioral change, and to eventually improve their health. Many community based health and hygiene awareness programs were introduced ranging from topics such as prevention and treatment of Tuberculosis (TB), Water Safety and Security, Environmental Conservation, Tree Planting and Environmental Beautification Programs etc.

Effectiveness of the above service delivery priorities:

**Drinking Water Quality Monitoring:**

The Xhariep District Municipality has allocated a budget for the monthly sampling and analysis of potable water. On a monthly basis two random sampling points per town (6 samples per month) are audited to verify compliance. For the Mohokare Municipal Services Area a quarterly performance indicator of 18 samples are to be taken. This sampling schedule takes place over a period of 12 months and therefore the performance indicator annually is 72 samples to be analyzed. This performance indicator has been met and results are indicative of good quality potable water being supplied to communities.

**Wastewater Effluent Quality Monitoring:**

A budget sufficient for wastewater sampling is allocated by the XDM. The budget makes provision for sampling and analysis. A quarterly performance indicator requires that three (3) samples be taken (1 sample per wastewater treatment works) per town. Annually the monitoring of wastewater effluent quality samples is set at 12 samples. A quarterly report is prepared by the XDM, presented to management and council for noting and implementing recommendations to improve on areas of non-compliance. The monitored parameters that require attention is Ammonia (Zastron, Rouxville), Chemical Oxygen Demand (Zastron, Rouxville and Smithfield), Suspended Solids (Zastron, Rouxville and Smithfield) and Faecal coliforms (Zastron).

**Integrated Waste Management Planning:**

The five year review of the District IWMP was allocated a budget of R300 000.00. A service provider was appointed to conduct the review. The plan seeks to create a mechanism to enhance integrated, transparent and systematic planning of waste management activities at each level of government. The review is complete and a new plan is available.

**Health, Hygiene and Environmental Education and Training:**

Programs were implemented during the financial year 2015/2016. The programs are as follows:

Environment: Arbor Day, World Environment Day, National Water Week

Hygiene: Five Keys to Safer Food, World Hand wash Day, Personal and Environmental Hygiene

Disease Prevention: Tuberculosis, Catch-Up Immunizations for Defaulters, Operation Back To Care

A total of 676 community members were in attendance of Health, Hygiene and Environmental programs and activities.

**3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ECT**

**Refer to COMPONENT F ON Page 95.**

## COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under department of Community Services, plays a pivotal role in managing our roads and assisting both the Province and National spheres of government, when coming to traffic services on the roads they are responsible for. It is within this division again that you see enforcement of the by-laws.

### 3.17 TRAFFIC SAFETY AND SECURITY

Mohokare Municipality does not municipal Police; it is a function of the Provincial Police department. We do however have a traffic law enforcement unit under the Community Services Department. Therefore in this component we will be commenting and discussing traffic law enforcement.

Under this division, the Municipality focused mainly on the following; visible traffic policing when coming to speed controls, well-staffed (human and technical resources) traffic division. The below table serves as illustrations under the division;

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	
Capacitated division	Enhanced Municipal revenue base.	

Municipal Traffic Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate	Actual No.	Estimate
1	Number of road traffic accidents during the year	20	0	58	0
2	Number of by-law infringements attended	0	0	0	0
3	Number of traffic officers in the field on an average day	3	7	7	7
4	Number of traffic officers on duty on an average day	3	3	7	0

The municipality has a total number of six (6) traffic officers on the ground fully operating on daily basis to or on identified area of work as per their work schedule or programs. T 3.20.1.1

Financial Performance Year 2015-16: Traffic & Police					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1,477,722	6,171,490	7,437,583	13,074,848	53%
Expenditure:					
Employees	1,137,279	2,428,903	2,419,384	1,330,668	-83%
Repairs and Maintenance	463,783	46,206	126,333	4,750	-873%
Other	1,920,963	590,449	399,198	163,179	-262%
<b>Total Operational Expenditure</b>	3,522,025	3,065,558	2,944,916	1,498,597	-105%
<b>Net Operational Expenditure</b>	2,044,303	-3,105,932	-4,492,668	-11,576,251	73%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.20.5

### 3.18 FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instance where prompt response and assistance required, the Municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Disaster Management Plan.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual	Estimate	Actual	Estimate
1	Total fires attended in the year	4	0	52	0
2	Total of other incidents attended in the year				
3	Average turnout time - urban areas	30min	30min	30min	30min
4	Average turnout time - rural areas	30min	30min	30min	30min
5	Fire fighters in post at year end	0	0	0	0
6	Total fire appliances at year end	0	0	0	0
7	Average number of appliance off the road	0	0	0	0
T 3.21.2					

The Municipality is in a process to review its reporting format since time and others factors are not recorded. This is mainly to facilitate or assist in such instances as we do not have fire engines or dedicated personnel.

Financial Performance Year 2015-16: Fire Fighting and Protection					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	130,162	131,039	54,984	-137%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance	11,326	0	0	0	0%
Other	0	0	0	0	0%
<b>Total Operational Expenditure</b>	11,326	0	0	0	0%
<b>Net Operational Expenditure</b>	11,326	-130,162	-131,039	-54,984	-137%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.21.5

These services are provided on ad hoc basis by the Municipality and the Working On Fire teams deployed full time in Zastron and Rouxville. As mentioned earlier, our key priority and of which we always attain, is the annual review of Disaster Management Plan of the Municipality. Such annual review does not demand financial assistance or backing from the municipality but from the Province as they play a pivotal role in this regard.

### **3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)**

Disaster management is a district function in terms of the allocation of powers and functions. The Unit is specifically responsible for both foreseen and unforeseen circumstances not directly within our Municipal ambit. In partnerships, we attend to such (hazmats, road accidents, veld & households fires, commercial and commonage farming and environmental health).

The Municipality is currently in the process of implementing the Commonage Management Plan to administer the commonages, get assistance in controlling of public nuisance through Xhariep District programs on disaster management and environmental health. One other assistance or partnership in department of agriculture is of vital importance.

In Managing Disaster, a Plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is been given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

## **COMPONENT H: SPORT AND RECREATION**

Sport in general is the main and vital activity in the upbringing of healthy persona, mentally and physically. Without this in life, life expectants with reference to our youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the Municipal important strategic goals in this current financial year, attention was brought or given in the below areas; Upgrading of Mofulatshepe Sports ground and maintenance of existing sports grounds.

Through MIG (Municipal Infrastructure Grant), more than five (5) households benefitted through employment on this project. Yes the project faced contractual challenges, hence it's still ongoing with benefits (employment) to the Community residing in both Smithfield and Mofulatshepe.

### 3.20 SPORT AND RECREATION

There are no recorded services statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

Employees: Sport and Recreation					
Job Level	Year-1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12	1	1	1	0	0
13-15					
16-18					
19-20					
Total					

Financial Performance Year 2015-16: Sport and Recreation					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	218	3,900,467	4,600,665	16,452,739	76%
Expenditure:					
Employees	1,236,027	467,674	399,723	362,931	-29%
Repairs and Maintenance	8,322	409,118	300,000	134,092	-205%
Other	16,068	2,862,879	3,562,154	23,257	-12210%
<b>Total Operational Expenditure</b>	1,260,417	3,739,672	4,261,877	520,280	-619%
<b>Net Operational Expenditure</b>	1,260,200	-160,795	-338,788	-15,932,459	99%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.23.4

It is clear from the KPA itself that the wellbeing of us is dependent on local area planning and such has to be realized. Having said that, Municipality through CWP (Community Works Programme) and Xhariep District Municipality's EPWP, have identified specific strategic location in developing the Community Park. Testimony thereto will be the main entrance into Smithfield, Rouxville and Zastron main entrances into the Towns. The upgrading of stadium in Smithfield also bears testimony.

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

**Mohokare Local Municipality applies the requirements of King III with the main focus areas:**

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

**The municipality has made strides in its role of ensuring the following is in place:**

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers is conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Employee: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12					
13-15	11	11	11	0	0%
16-18					
19-20					
Total	11	11	11	0	0%

Financial Performance Year 2015-16: Municipal Manager					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	746,418	755,952	315,488	-137%
Expenditure:					
Employees	1,163,521	1,415,587	1,327,996	403,725	-251%
Repairs and Maintenance	0	0	0	0	0%
Other	1,059,989	209,600	170,000	49,264	-325%
<b>Total Operational Expenditure</b>	2,223,510	1,625,187	1,497,996	452,989	-259%
<b>Net Operational Expenditure</b>	2,223,510	878,769	742,044	137,501	-539%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.24.5

Financial Performance Year 2015-16: Municipal Manager					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	1 315 851	1 834 490	301 740	-336%
Expenditure:					
Employees	1 037 137	1 543 757	1 277 754	1 105 273	-40%
Repairs and Maintenance	0	0	0	0	0%
Other	186 749	290 177	238 213	318 657	9%
<b>Total Operational Expenditure</b>	1 223 886	1 833 935	1 515 967	1 423 931	-29%
<b>Net Operational Expenditure</b>	1 223 886	518 084	-318 523	1 122 191	54%

### 3.21 FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Capacity in the reporting of financial matters making use of in-house capacity relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services have been achieved in spite of severe financial constraints.

The major constraints being:

Poor cash-flow:

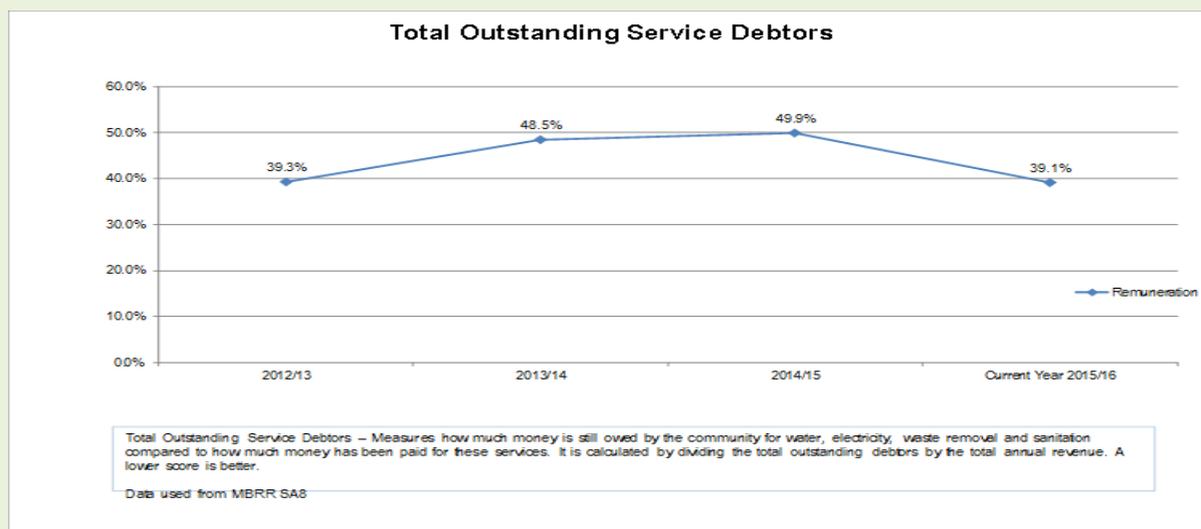
- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

Low payment rate.

The payment rate is set out in graph below, i.e. 39.1%

- The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
- Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
- The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
- The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
- The lack of capacitated staff to undertake credit control and debt collection.

This will be further illustrated below.



Employees: Financial Services					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					0%
4-6	18	24	18	6	0%
7-9	6	6	6	0	25%
10-12	10	14	10	4	53%
13-15	1	2	1	1	40%
16-18					48%
19-20					40%
Total	35	46	35	11	41%

Financial Performance Year 2015-16: Budget and Treasury					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	63,804,089	33,382,122	33,390,390	47,326,245	29%
Expenditure:					
Employees	6,611,193	5,658,809	7,304,821	7,672,264	26%
Repairs and Maintenance	0	0	0	0	0%
Other	35,439,161	18,170,235	21,654,370	44,944,213	60%
<b>Total Operational Expenditure</b>	42,050,354	23,829,045	28,959,191	52,616,477	55%
<b>Net Operational Expenditure</b>	-21,753,735	-9,553,077	-4,431,199	5,290,232	281%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.6

### 3.22 HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

**The principal objectives of the HRM can be listed as the following but not limited to:**

- To help the organisation reach its goals;
- To employ the skills and abilities of the workforce efficiently
- To provide the organisation with well trained and well-motivated employees;
- To increase to the fullest the employees job satisfaction and self-actualization
- To communicate the HR policies to all employees
- To be ethically and socially responsible to the needs of the society.
- To develop and maintain a quality of work force.

In the year ahead work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

Employees: Human Resources Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3					
4 -6	0	2	0	2	100%
7 -9					
10- 12	3	3	3	0	0%
13- 15	1	1	1	0	0%
16- 18					
19- 20					
Total	4	6	4	2	33%

Financial Performance Year 2015-16: Human Resources					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-281,978	844,601	855,389	356,343	-137%
Expenditure:					
Employees	1,024,279	2,349,064	1,573,501	429,172	-447%
Repairs and Maintenance	0	0	0	0	0%
Other	20,601,786	287,502	107,747	17,395	-1553%
Total Operational Expenditure	21,626,065	2,636,566	1,681,247	446,567	-490%
Net Operational Expenditure	21,908,043	1,791,965	825,858	90,224	-1886%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.26.5

### 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following.

**The Client Services function** is responsible for help desk and desktop support services.

**The Network Services function** is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to assure adequate security measures are in place to protect the municipality's network from unauthorized access.

**The Website and Application Services function** is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS) solutions; maintenance and upgrade of existing systems; architectures, software and database standards; web development;

**The Server Administration Services function** is responsible to design, install, administer,

**IT Governance and Administration function** is “hidden” but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA’s and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality’s IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes the brings about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user’s information. Provide for increased protection of user’s information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

Employees: ICT Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3					
4 -6					
7 -9	1	1	1	0	0%
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18					
19-20					
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0%</b>

Financial Performance Year 2015-16: Information Technology					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-292,960	591,921	599,482	249,667	-137%
Expenditure:					
Employees	3,435,600	863,028	811,343	205,922	-319%
Repairs and Maintenance	0	104,800	0	-234	44925%
Other	760,200	911,760	830,800	47,414	-1823%
<b>Total Operational Expenditure</b>	<b>4,195,801</b>	<b>1,879,588</b>	<b>1,642,143</b>	<b>253,102</b>	<b>-643%</b>
<b>Net Operational Expenditure</b>	<b>4,488,761</b>	<b>1,287,668</b>	<b>1,042,662</b>	<b>3,435</b>	<b>-37383%</b>
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.27.5</i>

## **COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

### **INTRODUCTION**

The Annual Performance Report is hereby submitted to the Mohokare Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2015 to 30 June 2016 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2015/2016. This report will also endeavor to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are

- (1) Basic Service Delivery;*
- (2) Local Economic Development;*
- (3) Municipal Institutional Transformation and Development;*
- (4) Municipal Financial Viability and Management and*
- (5) Good Governance and Public Participation.*

### **LEGAL REQUIREMENTS**

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows: (1) a municipality must prepare for each financial year a performance report reflecting—

- (a) The performance of the Municipality and each external service provider during that financial year;*
- (b) A comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
- (c) Measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the

external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

#### SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2014/2015

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	44	20	24	45%
Finance Department	22	14	8	63%
Corporate Services	27	17	10	63%
Community and Technical Services	47	17	30	36%
	<b>140</b>	<b>68</b>	<b>72</b>	<b>49%</b>

#### SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2015/2016

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	29	25	4	86.2%
Finance Department	10	8	2	80%
Corporate Services	8	8	0	100%
Community and Technical Services	23	15	8	65%
	<b>70</b>	<b>56</b>	<b>14</b>	<b>80%</b>

## LOCAL ECONOMIC DEVELOPMENT

KPA 5												
Local economic development												
Strategic objective (SO2)												
Local economic development												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Local Economic Development	Reviewed Local Economic Development Strategy by June 2016	2014/2015 LED Strategy	-	-	Submit the reviewed draft Strategy to Council by March 2016	Submit the final strategy by May 2016	Reviewed LED Strategy by June 2016	Target achieved	-	-	Council Resolution and copy of the adopted strategy	A1
	6 Business expos conducted and 3 cooperatives assisted with business plans	4 co-operatives assisted in 2013/2014	-	3 cooperatives assisted with business plans	Conduct 1 business expo per town	Conduct 1 business expo per town	6 Business expos conducted and 3 cooperatives assisted with business plans by June 2016	Target not Achieved Only two (2) expos were conducted. Zero (0) cooperatives were assisted.	Non-availability of DESTEA to implement the programme	A letter of concern submitted to DESTEA	Completed Business plans forms, Invites and attendance registers	A2

KPA 5												
Local economic development												
Strategic objective (SO2)												
Local economic development												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
	Develop SMME support Policy by June 2016	New KPI		-	Submit the developed draft Policy to Council by March 2016	Submit the developed final Policy to Council by May 2016	Developed SMMES support Policy by June 2016	Target achieved	-	-	Council Resolution and copy of the Policy	A3
	Develop the Agricultural Strategy by June 2016	New KPI		-	Submit the developed strategy to Council by March 2016	Submit the developed strategy to Council by May 2016	Developed Agricultural Strategy by June 2016	Target achieved	-	-	Council resolution and copy of the strategy	A4

## INFORMATION TECHNOLOGY

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Ensure 100% development of ICT Strategy	Reviewed ICT Strategy by June 2016	2014/2015 ICT Strategy	-	-	Submit the draft ICT Strategy to Council by March 2016	Submit the final ICT Strategy to Council by May 2016	Reviewed ICT Strategy by June 2016	Target achieved	-	-	Council Resolution and copy of Strategy	A5
	Reviewed ICT Policies June 2016	7 reviewed and adopted Policies 2014/15	-	-	Submit the 7 draft reviewed ICT Policies to Council by March 2016	Submit the Final ICT Policies to Council by June 2016	7 Policies Reviewed by June 2016	Target achieved	-	-	Council Resolution and copies of the adopted Policies	A6

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
	Developed and Approved 4 new Policies (Network Policy, Email Usage Policy, Telephone Policy Mobile and gadgets Policy)	New KPI	-	-	Submit 4 draft policies to Council by March 2016	Submit the final policies to Council by May 2016	4 New policies developed and approved (Network Policy, Email usage policy Telephone Policy Mobile and gadgets Policy) by June 2016	Target achieved  <b>Additional 3 policies developed by the Unit</b>  1. ICT Governance framework  2. End-user Management policy  3. Patch Management Policy	-	-	Council Resolution and adopted copies	A7
	Developed and approved Disaster recovery and Business Continuity	New KPI	-	-	Submit draft Disaster Recovery and Business	Submit the final Disaster Recovery and Business	2016/2017 approved Disaster Recovery and Business	Target achieved	-	-	Council resolution and copy of the approved	A8

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Plan by May 2016				s Continuity Plan to Council by March 2016	Plan to Council by May 2016	Continuity Plan				plan	

## TOWN PLANNING

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
100% compliance to SPLUMA	Development of SPLUM Policy by June 2016	New KPI	-	-	Submit the draft Policy to Section 79 and Council by March 2016	Submit the final Policy to Council by May 2016	Developed SPLUM Policy by June 2016	Target Achieved	-	-	Council Resolution and copy of the policy	B1
	Reviewed Spatial Development Framework by June 2016	2014/2015 SDF	-	-	Submit the draft SDF to Council by March 2016	Submit the final SDF to Council by May 2016	Reviewed SDF by June 2016	Target Achieved	-	-	Council Resolution and Copy of the reviewed SDF	B2

## RISK MANAGEMENT

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified	Reviewed Enterprise Risk Management Policies (Risk Management Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter) by February 2016	Reviewed Enterprise Risk Management Policies	-	-	Submission of 2015/2016 Policies to RMC AC & Council by February 2016	-	Reviewed Enterprise Risk Management Policies	Not achieved	AC Chairperson did not submit the report to the Council including the policies that were tabled in the AC meeting on the 24 June 2016	Tabling of Audit Committee report to Council by the Chairperson together with policies	Council Resolution and copy of adopted	C1
					Submission of draft 2016/2017 Policies to Council by March 2016	Submission of 2016/2017 Policies to Council by May 2016						

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Identified top 10 high municipal risks	New KPI	-	-	Top 10 high risks identified	Top 10 high risks monitored	10 high municipal risks identified and monitored by June 2016	Target Achieved	-	-	Risk register	C2

## INTERNAL AUDITING

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Maintaining and improving the Municipal Audit Opinion	Review and submit the Audit Charter to AC for approval by July 2015	Adopted 2014/2015 Audit Charter	Submit the Audit Charter to AC by July 2015	-	-	-	Reviewed and adopted Audit Charter by AC by July 2015	Target Achieved	-	-	Approved Audit Charter, Attendance register and report	D1
	Review and submit the Audit Plan to AC for approval by February 2015	Adopted 2014/2015 Audit Plan	-	-	Submit the Audit Plan to AC by February 2016	-	Reviewed and adopted Audit Action Plan by February 2016	Target Achieved	-	-	Approved Audit Plan, Attendance register and report	D2
	Developed Audit Action Plan as derived from AGSA findings raised	2014/2015 Audit Action Plan	-	-	Developed and approved Audit Action Plan	-	Approved Audit Action Plan by AC by January	Target Achieved	-	-	Action Plan	D3

<b>KPA 3</b>	<b>Good governance and Administration</b>											
<b>Strategic objective (SO4)</b>	<b>Good governance in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
	by 25 January 2016				included in the AR by 25 Jan 2016		2016					

## HUMAN RESOURCE MANAGEMENT

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Annual review and implementation of the Human Resource Development Strategy by June 2016	2015/2016 HRD strategy developed and adopted by February 2016	New KPI	-	-	Final 2015/2016 HRD Strategy adopted by Council on the 25 February 2016	-	Annual review and implementation of the Human Resource Development Strategy by February 2016	Target achieved	-	-	Council Resolution and copy of adopted strategy	E1
	Reviewed HRD Strategy by June 2016	Adopted 2015/2016 HRD Strategy	-	-	Submit draft 2016/2017 HRD Strategy to Sec 79 and Council by March 2016	Final reviewed 2016/2017 HRD Strategy submitted to Council by May 2016	Reviewed HRD Strategy by June 2016	Target achieved	-	-	Council resolution and copy of adopted reviewed strategy	E2

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
	100% filled vacant sec 57 posts	4 positions filled and 1 vacant	-	-	-	Filled community services director position by 30 June 2016	100% filled vacant sec 57 posts June 2016	Target not achieved	Financial Constraints	Position to be considered in the 2016/2017 Financial year	No POE attached	E3
	8 Human Resources Policy reviewed and approved by June 2016	8 Reviewed HR policies	-	-	Submit drafts to Section 79 and Council by March 2016	Submit reviewed HR Policies to Council by June 2016	8 Human Resources Policy reviewed and approved by June 2016	Target achieved	-	-	Council Resolution and electronic copies of HR Policies	E4
	Reviewed Organogram by June 2016	2015/2016 reviewed Organogram	-	-	Submit reviewed Organogram to Section 79 by	Submit reviewed Organogram to Council by May 2016	Reviewed Organogram by June 2016	Target achieved	-	-	Council resolution and electronic copy of the reviewed	E5

<b>KPA 3</b>	<b>Good governance and Administration</b>											
<b>Strategic objective (SO4)</b>	<b>Good governance in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
					March 2016						organogram	

### PERFORMANCE MANAGEMENT SYSTEMS

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	2016/2017 Organisational performance management system reviewed by May 2016	Approved PMS policy Framework	-	-	Submit the draft PMS Policy to Council by March 2016	Submit the final PMS Policy to Council by May 2016	Review 2016/2017 PMS policy framework May 2016	Target achieved  The policy was submitted and approved by May 2016, the Special Council meeting for March was for legislated documents only	-	-	Council resolution and electronic copy of the reviewed policy	F1
	Submission of the draft Annual report and the annual performance report for 2014/15 to the Auditor General by 31 August 2015	Annual report, annual performance report submitted on the 31 August 2014	Submit draft Annual report, annual performance report on 31st of	-	-	-	Submitted draft Annual report, annual performance report by 31st of August 2015	Target Achieved	-	-	Acknowledgement of receipt	F2

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
			August 2015									
	Developed 2016/2017 SDBIP by June 2016	2015/2016 SDBIP	-	-	Draft 2016/2017 SDBIP submitted to Council by March 2016	Submit developed 2016/2017 SDBIP to Mayor WITHIN 28 days after the approval of the Budget	Developed 2016/2017 SDBIP by June 2016	Target Achieved	-	-	Approved SDBIP	F3

<b>KPA 3</b>												
<b>Good governance and Administration</b>												
<b>Strategic objective (SO4)</b>												
<b>Good governance in Mohokare</b>												
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
	Developed Mid-year report submitted to Council by 25 January 2016	2014/2015 Mid-year report	-	-	Mid-year report developed and submitted to Council by 25 January 2016	-	Mid-year report submitted to Council by 25 January 2016	Target Achieved	-	-	Adopted Mid-year report	F4
<b>Ensuring 100% compliance to MFMA, MSA and Circular 63 &amp; 32</b>	Tabled AR and APR to Council by 25 January 2016	Annual report, annual performance Report tabled on the 22nd January 2015	-	-	Table Annual Report and Annual Performance Report by the 25 January 2016	-	Tabled Annual Report and Annual Performance Report by the 25 January 2016	Target Achieved	-	-	Council resolution and electronic copy of AR & APR	F5

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Adopted Oversight report for 2014/2015 Annual Report (March 2016)	Adopted oversight report 2013/2014	-	-	Adoption of oversight report by Council for AR 2014/2015 by 31 March 2016		Oversight Committee meeting must sit within two (2) months of the adoption of AR by 31 March 2016	Target Achieved	-	-	Adopted Oversight report, minutes and Council resolution	F6
	Development of 2015/2016 Suppliers and Service Providers monitoring Policy by March 2016	New KPI	-	-	Draft 2015/2016 Suppliers and Service Providers monitoring Policy approved by Council by March	Final 2015/2016 Suppliers and Service Providers monitoring Policy approved by Council	Development of 2015/2016 Suppliers and Service Providers monitoring Policy by March 2016	Target Achieved The policy was submitted and approved by May 2016, the Special Council meeting for March was for legislated documents only	-	-	Adopted policy, and Council resolution	F7

<b>KPA 3</b>	<b>Good governance and Administration</b>											
<b>Strategic objective (SO4)</b>	<b>Good governance in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
					2016	by May 2016						

## INTEGRATED DEVELOPMENT PLANNING

KPA 3												
Good governance and Administration												
Strategic objective (SO4)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community	Reviewed and approved IDP by May 2016	Approved 2014/2015 IDP	Approved IDP Process plan by August 2015	Establishment of Rep Forum	Submit draft IDP to Council by March 2016	Submit final IDP to Council for adoption by May 2016	Reviewed and approved IDP by May 2016	Target Achieved	-	-	Council resolution And electronic copy of the IDP.	G1

## TECHNICAL SERVICES

KPA 1												
Basic Services												
Strategic objective (SO1)												
To deliver quality services in Mohokare												
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Provision of Project Management services to the Municipality 2015/2016	To achieve 100% expenditure on RBIG (Regional Bulk Infrastructure Grant) by 31 March 2016	100% expenditure end of March 2015	44 % expenditure	72 % expenditure	100 % expenditure	-	100% expenditure by March 2016	Target Achieved  Allocation was R45 000 000 and the expenditure incurred by 31 March 2016 is R49 527 215,33 which gives 110,06% expenditure	-	-	Proof of transfers or signed report by the Municipal Manager	H1

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
								re				
	To achieve 100% expenditure on MWIG (Municipal Water Infrastructure Grant) by 30 June 2016	100% expenditure end of March 2015	30 % expenditure	44 % expenditure	55 % expenditure	100% expenditure	100% expenditure June 2016	Not achieved  Allocation was R15 000 000 and the expenditure incurred is R9 273 346.29 which gives 61.82% expenditure by 30 June 2016	Consulting took longer than expected to finalise the designs of the Zastro WTW	Fast tracking implementation of the project with the appointed contractor	Proof of payment to service providers	H2

<b>KPA 1</b>	<b>Basic Services</b>											
<b>Strategic objective (SO1)</b>	<b>To deliver quality services in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator (s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
	100% expenditure of Municipal Infrastructure Grant by 30 June 2016	100% expenditure end of June 2015	30 % expenditure	44 % expenditure	55 % expenditure	100% expenditure	100% expenditure by June 2016	Target Achieved  Allocation was R15 780 000, 00 and the expenditure incurred is R16 162 526, 81 which gives 102, 42% expenditure by 30 June 2016	-	-	Signed Implementation plan	H3
<b>Deliver sustainable access to</b>	Zastron/ Matlaken g: Upgradin	NEW KPI	50%	90% construction	100 % completion(c ompletion	Retention period	Completion and handover of the	Not achieved  95% civil	The project was on	Fast track implementation of the	Budget maintenance report	H4

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
sanitation services on or above RDP level	g of the waste water treatment works			of the project	certificate)		pipeline June 2016	works on site & 70% contractor' workshop by end April 2016 and 80 % contractor's workshop on 1 July 2016	hold until the budget maintenance was approved on 8 March 2016	project	& progress report Budget Maintenance registration letter	
Provision of trafficable roads and well maintained storm	Smithfield /Somido park: Construction of 3km access	Completion and handover of access road in Matlake	-	Advertise and appoint a contractor	Site handover and establishment (5 %)	10% physical progress	10% physical progress on site by June 2016	Target achieved 26%	N/A	N/A	Progress report no. 4 up to 17 June 2016	H5

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
water channels	collectors, internal streets and related storm water	ng by June 2015		ctor								
Provision of Project Management services to the Municipality 2015/2016	Mofulatshupe: Upgrading of sports ground	NEW KPI	25%	50%	70% progress on site	100% completion (completion certificate)	Completion and handover of the project June 2016	Not achieved 82%	Contractor terminated due to poor performance	Local sub-contractors be appointed for the completion of the outstanding scope	Intention to terminate & Termination letter	H6
	Construction of the 27 km raw water pipeline from	Advertisement and appointment of a contractor for partial	10% - physical progress	20%- physical progress	30% physical progress	60% physical progress	Completion of the 27 km raw water pipeline project by	Not Achieved 70%	N/A	N/A	May 2016 Monthly progress report	H7

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Orange river to Paisley dam in Rouxville	works on the 27 km pipeline by 30 June 2016					May 2016					
	Construction of the 15 km raw water pipeline from Montaqu dam to Kloof dam and water treatment works in Zastron	Completion and commissioning of 15 km raw water pipeline by 30 June 2015	-	90% physical progress	100% completion of the project by March 2016 (completion certificate)	Retention period	Completion and handover of the 15 km raw water pipeline from Montaqu dam to Kloof dam and water treatment works in Zastron by March 2016	Target Achieved 100%	-	-	Completion certificate	H8

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objective s	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Construction of Water Treatment works in Rouxville	Completion of water treatment works by June 2015	-	-	Re-establishment of site by Civil contractor by March 2016	Completion and handover of the project by June 2016	Completion and handover of the Water Treatment works project by June 2016	Not achieved 92%	Poor performance by the engineering consultant on the project as a result the consultant has been terminated	PMU held a site briefing with consultants for the completion of the works on 8 July 2016 for appointment of a new consultant	May 2016  Monthly progress report & Site briefing attendance register & termination letter	H9

KPA 1												
Basic Services												
Strategic objective (SO1)												
To deliver quality services in Mohokare												
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Development of 8 boreholes in Smithfield	NEW KPI	-	-	Completion of eight (8)hand pump boreholes and three (3) electricity borehole pumps	Integration of all (8)boreholes into the network (close out report) by June 2016	Completion of all (8)boreholes into the network (close out report) by June 2016	Target achieved 100%	Hand pump installations only	N/A	Completion certificate	H10
<b>Provision of dignified sanitation services in all three towns by June 2016</b>	Achievement of 40% annual rating on Green Drop by 30 June 2016	0% green drop achievement	-	-	-	Achievement of 40% annual rating on Green Drop	Achievement of 40% annual rating on Green Drop by 30 June 2016	Not achieved	Assessments were not conducted	N/A	No POE attached	H11

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Provision of access roads to previously disadvantaged areas by 30 June 2016	Developed Road management plan by June 2016	NEW KPI	-	-	Submit draft Road management plan to Management by March 2016	Draft Road Management plan submitted to Council by May 2016	To develop a road management plan by June 2016	Not achieved	The document is still on a draft stage and has not yet been submitted to Council	To be submitted to Council in the next financial year	No POE attached	H12

KPA 1	Basic Services											
Strategic objective (SO1)	To deliver quality services in Mohokare											
Objectives	Key performance Indicator (s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
<b>Provision of Arial lighting and electrification of household by 30 June 2016</b>	100% expenditure of INEP (Integrated National Electrification Program) by 31 March 2016	Installation and commissioning of 14 high mast light by June 2015	Letter of commitment with CENT LEC	Connection of 24 households	Connections of 24 households	Connection of 26 households	Electrification /connection of 74 infill's in Zastron and Smithfield by June 2016	Target achieved  100% Completion of the project. In total,119 connections were made: 60 Zastron 59 Smithfield	-	-	Signed June 2016 monthly report from Centlec  CENTLE C monthly report)	H13
<b>Households with access to refuse removal</b>	10793 households with access to refuse removal	10793 households receiving refuse removal	10793 households with access to	10793 households with access to	10793 households with access to refuse removal once a week	10793 households with access to refuse removal	10793 households receiving refuse removal from the	Not achieved Refuse is collected on a daily basis	There is a refuse register place	Develop and implement a refuse collection	Refuse Removal Programme	H14

<b>KPA 1</b>	<b>Basic Services</b>											
<b>Strategic objective (SO1)</b>	<b>To deliver quality services in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator (s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
<b>&amp; solid waste removal once a week</b>	& solid waste removal once a week per town	from Municipality	refuse removal once a week	refuse removal once a week		once a week	municipality by June 2016	however not recorded		register.		
<b>Management of solid Waste (Refuse removal)</b>	Reviewed integrated waste management plan (local) by June 2016	IWMP in place	-	-	Submission of draft plan to Council by March 2016	Submit the final reviewed plan to council by May 2016	Reviewed Integrated Waste Management Plan (local) by June 2016	Target achieved	-	-	Council resolution and copy of plan	H15

## CORPORATE SERVICES

KPA 2												
Public Participation												
Strategic objective (SO6)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Provide for mechanisms and processes for participation in Municipal governance	Communications Policy reviewed by June 2016	14/15 adopted Communications policy	-	-	Submit the reviewed draft Policy to Council by March 2016	Submit the final reviewed Policy to Council by May 2016	Reviewed Communications Policy by June 2016	Target Achieved	The policy was taken to Council in May 2016 and approved in June 2016 for implementation	-	Council Resolution and Copy of the adopted (draft and final) policy	J1
	Public participation policy reviewed and implemented by June 2016	14/15 reviewed policy	-	-	Submit the reviewed draft Policy to Council by March 2016	Submit the final reviewed Policy to Council by May 2016	Reviewed Public participation policy by June 2016	Target Achieved	The policy was taken to Council in May 2016 and approved in June 2016 for implementation	-	Council Resolution and Copy of the adopted (draft and final) policy	J2
	Development and adoption of Special	New KPI	-	-	Submit developed draft	Submit the final developed	Developed Special Programm	Target Achieved	The policy was taken to Council	-	Council resolution and	J3

KPA 2	Public Participation											
Strategic objective (SO6)	Good governance in Mohokare											
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
	Programmes Plan by June 2016				Plan Council by March 2016	Plan programme to Council by May 2016	Developed Plan by June 2016		in May 2016 and approved in June 2016 for implementation		copy of the Programme	
	Development and adopt the Youth Development Plan by June 2016	New KPI	-	-	-	Submit the final Youth Development Plan to Council by May 2016	Developed Youth Development Plan by June 2016	Target Achieved	The policy was taken to Council in May 2016 and approved in June 2016 for implementation	-	Council Resolution and Copy of the adopted reviewed Policy (Draft and final)	J4
<b>Enhance institutional developme</b>	Coordination of ordinary council meetings	4 distributed notices and agenda for 4 ordinary meetings	Distribution of notices and agendas by Aug 15	Distribution of notices and agendas by	Distribution of notices and agendas by Feb 16	Distribution of notices and agendas by May 16	4 Ordinary Council meeting June 2016	Target Achieved	-	-	Copy of notices and agendas distributed and acknowledge	J5

KPA 2												
Public Participation												
Strategic objective (SO6)												
Good governance in Mohokare												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
nt and good governance				Nov 15							dgement of receipts	
	Annual Reviewed delegation system adopted by Council by June 2016	2014/15 reviewed delegation system	-	-	-	Reviewed and adopted Delegation System by June 16	Reviewed delegated system by June 2016	Target Achieved	-	-	Council Resolution and Adopted Delegation System	J6
Enhance institutional development and good governance	Development and submission of the (16/17) workplace skills plan by 30 April 2016 to LGSETA	2014/15 submitted WSP	-	-	-	Developed and submitted WSP to LGSETA by April 2016	2015/16 WSP submitted by April 16	Target Achieved	-	-	Acknowledgement of receipt from LGSETA and WSP Document	J7
	Developed and adopted draft Employment Equity Policy by June 2016	New KPI	-	-	-	Submit draft policy to Council for adoption by June	Developed EE Policy by June 2016	Target Achieved	-	-	Council Resolution and adopted Policy	J8

<b>KPA 2</b>	<b>Public Participation</b>											
<b>Strategic objective (SO6)</b>	<b>Good governance in Mohokare</b>											
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
						2016						

## FINANCE SERVICES

KPA 4 Financial Management												
Strategic objective (SO3) Financial Viability												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#REF
Implementation of Mohokare Financial Management Plan	Reviewed Revenue enhancement strategy by June 2016	2014/2015 Reviewed Strategy	-	-	To submit to the draft Revenue Strategy to Section 79 and Council for adoption by March 2016	To submit the Final Revenue Strategy to Council for adoption by June 2016	Reviewed Revenue enhancement strategy by June 2016	Target achieved	-	-	Report and Attendance Register (Sec 79) Copy of the final Strategy and Council Resolution	K1
	Reviewed Credit Control Policy by June 2016	2014/2015 reviewed strategy	-	-	To submit to the draft Policy to Section 79 and	To submit the Final Policy to Council for adoption by June	Reviewed Credit Control Policy by June 2016	Target achieved	-	-	Report and Attendance Register (Sec 79) Copy of	K2

<b>Implement ation of Mohokare Financial Managem ent Plan</b>					Council for adoptio n by March 2016	2016						the final Policy and Council Resolutio n	
	Developed Compliant municipal budget by June 2016	2014/2015 adopted budget by 26 May 2015	-	-	Submit the draft complia nt budget to Budget Steering Commit tee and Council by March 2016	Submit the final budget to Budget Steering Committ ee and Council for adoption by May 2016	Developed Compliant municipal budget by June 2016	Target achieved	-	-		Report and Attendan ce Register (Sec 79) Copy of the final budget and Council Resolutio n	K3
	Developed adjustment budget by Feb 2016	Adopted adjustment budget in by 2015	-	-	Submit the adjusted budget to Budget Steering Commit tee and Council for Adoptio	-	Adopted adjustment budget by Feb 2016	Target achieved	-	-		Council Resolutio n and adopted copy	K4

					n by Feb 2016							
	Reviewed compliant assets management Policy by June 2016	Adopted Assets management Policy by June 2015	-	-	To submit to the draft Policy to Section 79 and Council for adoption by March 2016	To submit the Final Policy to Council for adoption by May 2016	Adopted Compliant assets management Policy by June 2016	Target achieved	-	-	Report and Attendance Register (Sec 79) Copy of the final Policy and Council Resolution	K5
<b>Implementation of the Supply Chain Policy</b>	Annual Reviewed Supply chain management policy by June 2016	Supply Chain Management Policy adopted May 2015	-	-	To submit to the draft Policy to Section 79 and Council for adoption by March 2016	To submit the Final Policy to Council for adoption by Jun 2016	Reviewed Supply Chain Management Policy by May 2016	Target achieved	-	-	Report and Attendance Register (Sec 79) Copy of the final Policy and Council Resolution	K6

<b>Implementation of the Procurement Plan</b>	Development of Procurement Management Plan by August 2015	New KPI	Submit developed Plan to Council by August 2015 for adoption	-	-	-	Developed and adopted Procurement Management Plan by August 2015	Target not achieved	Additional 4 tenders that were not in the initial procurement plan	Procurement Plan to be adopted and approved at the beginning of each financial year.	Council Resolution and copy of the adopted Plan	K7
<b>Compilation of compliant AFS</b>	Submission of compliant Financial Statements to AG, National and Provincial Treasury by 31 <sup>st</sup> August 2015	Submitted AFS by Aug 2014	Submission of compliant Draft Financial Statements to AG and National and Provincial Treasury by 31 <sup>st</sup> August 2015	-	-	-	Submitted AFS by 31 <sup>st</sup> August 2015	Target achieved	-	-	Acknowledgment of receipt and copy of AFS	K8
<b>Submission of - Compliant</b>	Submission of compliant Financial	AFS submitted to Council by 25	-	-	Submission of complia	-	Submitted final AFS to Council	Target achieved		The Financial Statements	Council Resolution and	K9

<p><b>AFS</b></p>	<p>Statements to Council, National and Provincial Treasury by 25 January 2016</p>	<p>Jan 2015</p>			<p>nt Financial Statements to Council, National and Provincial Treasury by 25 January 2016</p>		<p>January 2016</p>			<p>form part of the Annual report: Refer to Annual Report</p>	<p>copy of AFS</p>	
<p><b>To improve overall financial management by developing and implementing appropriate financial management policies, procedures and systems</b></p>	<p>Resolved previous audit findings</p>	<p>133 resolved previous audit findings</p>	<p>25</p>	<p>50</p>	<p>75</p>	<p>100</p>	<p>100 resolved previous audit findings June 2016</p>	<p>Target not achieved</p>	<p>The supporting documentation are not responding to the findings raised</p>	<p>To be ensured that all findings resolved are substantiated by relevant sufficient supporting documentation.</p>	<p>Supporting documentation of the resolved queries and action plan</p>	<p>K10</p>

## COMMUNITY SERVICES

KPA 6 Environmental Management												
Strategic objective (SO5) Keep Mohokare safe and clean												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
Provision of sustainable Human Settlements in all the three towns by 30 June 2016	Review of Human Settlement Sector Plan by June 2016	Human Settlement Sector Plan 2014/2015	-	-	Submission of draft plan to Council by March 2016	Submit the final reviewed Plan to Council by May 2016	Review of Human Settlement Sector Plan by June 2016	Target achieved	-	-	Council resolution and Copy of the Plan	L1
	Reviewed of Municipal Housing Rental Policy by June 2016	Municipal rental housing policy in place	-	-	Submission of draft policy to council by march 2016	Submission of final policy to Council for approval by June 2016	Reviewed of Municipal Housing Rental Policy by June 2016	Target achieved	-	-	Council resolution copy of the plan	L2
	Reviewed Municipal sites allocation Policy by June 2016	2014/2015 Policy	-	-	Submission of draft Policy to Council	Submission of final Policy to Council for approval	Reviewed Municipal sites allocation Policy by June 2016	Target achieved	-	-	Council resolution Copy of the Plan	L3

KPA 6 Environmental Management												
Strategic objective (SO5) Keep Mohokare safe and clean												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
					by March 2016	by June 2016						
<b>Management of Local Disaster as per incident</b>	Review of local disaster management plan by June 2016	Local Disaster Management Plan in place	-	-	Submission of draft plan to Council by March 2016	Submit the final reviewed Plan to Council by May 2016	Reviewed Disaster Management Plan by June 2016	Target achieved	-	-	Council resolution and Copy of the Plan	L4
<b>Management of Extended Public Works</b>	Reviewed Extended Public Works Policy by August 2015	EPWP in place	Submission of draft EPWP policy to sec 79 Committee	-	-	-	Reviewed Extended Public Works Policy by August 2015	Target achieved	-	-	Minutes and attendance register.	L5
			Submission of draft policy to						-	-	Council resolution and Copy of the	L6

<b>KPA 6 Environmental Management</b>												
<b>Strategic objective (SO5) Keep Mohokare safe and clean</b>												
<b>Objectives</b>	<b>Key performance Indicator(s)</b>	<b>Baseline information</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual target</b>	<b>Actual achievement</b>	<b>Reason for deviation</b>	<b>Corrective measure to be taken</b>	<b>POE</b>	<b>#REF</b>
			Council for adoption by August 2015								Policy	
<b>Provision of sustainable Commonage Management</b>	Reviewed Commonage Management Policy by June 2016	Commonage management policy in place	-	-	Submission of draft plan to Council by March 2016	Submit final draft to Council by May 2016	Reviewed Commonage Management Policy by June 2016	Target achieved	-	-	Council resolution and Copy of the Policy	L7
<b>Management of Sports and Facilities</b>	Developed Sports and Facilities Management policy by June 2016	New KPI	-	-	Submission of draft plan to Council by March 2016	Submit final draft to Council by May 2016	Developed Sports and Facilities Management policy by June 2016	Target achieved	-	-	Council resolution and Copy of the Policy	L8
<b>Management of Municipal</b>	Reviewed Cemetery Management	Cemetery Management policy in place	-	-	Submission of draft	Submission of final	Review of Cemetery management	Target achieved	-	-	Council resolution and	L9

KPA 6 Environmental Management												
Strategic objective (SO5) Keep Mohokare safe and clean												
Objectives	Key performance Indicator(s)	Baseline information	Q1	Q2	Q3	Q4	Annual target	Actual achievement	Reason for deviation	Corrective measure to be taken	POE	#R EF
Amenities	Policy by June 2016				policy to council by March 2016	policy to Council for approval by June 2016	nt Policy by June 2016				Copy of the Policy	

Mohokare Local Municipality served the community with distinction during the 2015/2016 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs.

Investment capital infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Mohokare Local Municipality to adapt to the ever changing social needs of the local community.

Capital Grants clearly indicates that the municipality has solid and excellent project management systems in place, whereby 92% was spent on capital projects. Improving on those, will be the focus from now on. Due to various challenges, only 8% of the planned targets could not be met. As a Municipality, we will respond to these outstanding targets and will duly report on the progress made to address those targets.

This progress report will be submitted to the Municipal Council during January 2017 together with the Mid-year Budget and Performance Assessment Report 2016/2017. I wish to extend my gratitude to the Municipal Council, Mayor, and the Management Team as well as to all the employees of the Mohokare Local Municipality who willingly and competently assisted to ensure the Municipality is well on its way to become a place of excellence.

# CHAPTER 4

## ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS

Mohokare Local Municipality employs 376 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

TOTAL EMPLOYEES				
Description	Ending 30 <sup>th</sup> June 2016			
	Number of Posts	Number of Employees	Vacancies	% Variance
Water	47	45	2	4.3%
Sanitation	70	49	21	30%
Electricity	4	1	3	75%
Roads & Storm-water	25	19	6	24%
Technical Services (exc the above)	11	7	4	36%
Waste Management	44	25	19	43%
Human Settlement	4	4	0	0%
Traffic Safety & Management	7	3	4	57%
Community Services (exc Waste, Human Settlement & Traffic)	51	43	8	16%
Planning	4	3	1	25%
Local Economic Development	2	1	1	50%
Office of the MM (exc Planning & LED)	28	15	13	46%
Finance	49	39	10	20%
Corporate Services	30	22	8	27%
<b>TOTALS</b>	<b>376</b>	<b>276</b>	<b>100</b>	<b>27%</b>

**VACANCIES**

<b>Vacancy Rate: 2015/16</b>			
<b>Designations</b>	<b>Total Approved Posts</b>	<b>Vacancies</b>	<b>Vacancies %</b>
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Managers (excluding Finance Posts)	2	1	50.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance	17	3	17.60
Senior management: Levels 13-15 (Finance posts)	3	2	66.67
Highly skilled supervision: levels 9-12 (excluding Finance	31	14	45.16
Highly skilled supervision: levels 9-12 (Finance posts)	10	4	40.00
<b>Total</b>	<b>65</b>	<b>24</b>	<b>36.92</b>

**TURNOVER**

<b>Turn-over Rate 2015/16</b>			
<b>Details</b>	<b>Total Appointments as of beginning of Financial Year</b>	<b>Terminations during the Financial Year</b>	<b>Turn-over Rate</b>
Year -2	21	19	90.48%
Year -1	14	19	135.71%
Year 0	1	10	1000.00%

**Appointment of Senior Managers**

All section 54A and 56 positions have been successfully filled except for the position of Director: Community Services (which has been vacant for five years) due to the financial constraints that municipality is currently facing. However, the municipality is receiving assistance from the Premier's Office by appointing an Acting Community Services Director – Mr Danie Marais.

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 POLICIES

Policies and plans provide guidance for fair and consistent staff treatment and approach to managing staff.

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
1	HRD Strategy	100	100	26 May 2016
2	Organogram	100	100	June 2016
3	Organizational Design Policy	100	100	June 2016
4	Employment Policy	100	100	June 2016
5	Leave Policy	100	100	June 2016
6	Occupational Health and Safety Policy	100	100	June 2016
7	Overtime Policy	100	100	June 2016
8	Overtime Policy	100	100	June 2016
9	Relocation Policy	100	100	June 2016
10	Councilor Remuneration Policy	100	100	June 2016
11	Staff Retention Policy	100	100	June 2016
12	Draft Employment Equity policy	100	100	26 May 2016
13	Communications Policy	100	100	26 May 2016
14	Public Participation Policy	100	100	26 May 2016
15	Youth Development Policy	100	100	June 2016
16	Delegation Systems	100	100	26 May 2016
17	ICT Strategy	100	100	26 May 2016
18	IT Security Policy	100	100	26 May 2016
19	IT Assets Control & Disposal Policy	100	100	26 May 2016
20	Internet Usage Policy	100	100	26 May 2016
21	Change Management Policy	100	100	26 May 2016

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
22	Password Policy	100	100	26 May 2016
23	IT Backup Policy	100	100	26 May 2016
24	Disaster Recovery Policy	100	100	26 May 2016
25	Network Policy	100	100	26 May 2016
26	Email Usage Policy	100	100	26 May 2016
27	Telephone Policy	100	100	26 May 2016
28	Mobile and Gadgets Policy	100	100	26 May 2016
29	Disaster Recovery and Business Plan	100	100	June 2016
30	Integrated Development Plan	100	100	26 May 2016
31	LED Strategy	100	100	26 May 2016
32	SMME Policy	100	100	26 May 2016
33	Agricultural Strategy	100	100	26 May 2016
34	Risk Management Strategy	50	50	12 February 2016
35	Fraud and Anti –corruption Strategy	50	50	12 February 2016
36	SPLUM Policy	100	100	26 May 2016
37	SDF Policy	100	100	26 May 2016
38	Human Settlements Plan	100	100	26 May 2016
39	Rental Housing Policy	100	100	30 June 2016
40	Sites Allocation Policy	100	100	26 May 2016
41	Disaster Management Policy	100	100	26 May 2016
42	Integrated Waste Management Plan	100	100	26 May 2016
43	Commonage Management Policy	100	100	26 May 2016
44	Sports and facilities Management Policy	100	100	26 May 2016
45	Cemetery Policy	100	100	30 June 2016
46	Revenue Strategy	100	100	30 June 2016
47	Credit Control Policy	100	100	30 June 2016
48	Annual Budget	100	100	26 May 2016
49	Assets Management Policy	100	100	26 May 2016
50	SCM Policy	100	100	30 June 2016

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Injuries, sickness and suspensions excl. injuries on duty:

Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	Average sick leave per employees
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	1499	0	117	139	10.8
Highly skilled production (levels 6-8)	714	0	56	67	10.9
Highly skilled supervision (levels 9-12)	475	0	44	49	9.7
Senior management (Levels 13-15)	94	0	9	17	5.5
MM and S57	17	0	2	4	4.2
<b>Total</b>	<b>2799</b>	<b>0</b>	<b>228</b>	<b>276</b>	<b>10.1</b>

## SUSPENSIONS

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of case and reasons why not finalized	Date Finalized
General Worker	Theft	14/09/2014	Reinstated	20/11/2015
Administration Clerk	Gross Dishonesty	18/08/2015	Ten days without pay	29/04/2016

## CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken On Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NO CASES REPORTED			

Workplace discipline within the municipality is guided by the Labour Relations Act and SALGBC disciplinary procedure and code collective agreement. In the financial year 2015/2016 workplace discipline cases were recorded at 17 of which 14 were concluded and 3 outstanding as they are now handled at the SALGBC level.

The figure of recorded cases decreased year on year, this decrease is attributed to the workshops conducted with employees on code of ethics and disciplinary and code collective agreement which impacts on behavioral change and the fact that supervisors and Managers are taking ownership of discipline within their directorates.

**4.4 PERFORMANCE REWARDS**

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R. 805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2015/16 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S56	Female	1	1	94 079.79	0
	Male	3	3	317 885.31	0
<b>Total</b>		<b>4</b>	<b>4</b>	<b>411 965.10</b>	<b>0</b>

Despite gradual improvement of financial and performance position of the municipality over the last financial years, the municipal manager and senior managers have never been paid any performance bonuses due to the financial difficulties faced by the institution.

The senior managers of the municipality were able to redesign the structure of municipality to bring it to the state it is today with the assistance and the leadership of the current Council and as a result, the following milestones were achieved:

- Improvement of audit opinions of the last financial years –

2010/11	2011/12	2012/13	2013/14	2014/15
Disclaimer	Disclaimer	Qualified	Qualified	Unqualified

- Enhancement of service delivery under the financial constraints faced and the use of limited resources to implement infrastructural resources;
- Delivering municipal services to the best of its abilities; and
- Implementing a sound financial management under shrinking revenue collection base.

And based on the above, and on the provision of performance bonuses made in the annual budget of the municipality, the Municipal Manager and Senior Managers performance bonuses were paid for

the first time during the 2015/2016 financial year after the Annual report of the year under review has been presented to Council.

### **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

Section 68 of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, and efficient and accountable way and for this purpose must comply with Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills Plan detailing the trainings planned by the municipality for 2015/2016.

Training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for Discretionary grant from LGSETA.

Challenges: Municipality depends most on the LGSETA grants in order to implement most of the programmes due to financial constraints. The Municipality experienced challenges on the implementation of the programme in financial 2015/2016 hence in attempt to rescue the situation by submitting applications for Discretionary grants. Funds being diverted from capacity building to other functions

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2016	Number of skilled employees required and actual as at 30 June 2016											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: 2014/2015	Actual: 2015/2016	2015/16	Actual: 2014/2015	Actual: 2015/2016	2015/16	Actual: 2014/2015	Actual: 2015/2016	2015/16	Actual: 2014/2015	Actual: 2015/2016
MM and s57	Female	1	0	0	0	0	0	0	0	1	1	0	1	1
	Male	3	1	1	1	0	0	0	1	2	3	2	3	4
Councillors, senior officials and managers	Female	9	3	1	6	0	0	0	2	1	5	5	2	11
	Male	15	4	6	5	0	0	0	1	0	5	5	6	10
Technicians and associate professionals*	Female	1	0	0	0	0	0	0	1	1	1	1	1	1
	Male	2	0	0	2	0	0	0	0	0	2	0	0	2
Professionals	Female	3	0	3	3	0	0	0	0	0	3	0	3	6
	Male	6	0	6	6	0	0	0	2	1	3	2	7	9
<b>Sub total</b>	Female	14	3	4	9	0	0	0	3	3	10	6	7	16
	Male	26	5	13	14	0	0	0	4	2	13	9	15	29
<b>Total</b>		40	8	17	23	0	0	0	7	5	23	15	22	46

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated : Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated : Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	2	0	2	2	2	1
Any other financial officials	10	0	10	2	0	2
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>7</b>	<b>5</b>	<b>6</b>

*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*

Regulation R493 of the National Treasury requires that all identified officials in the municipality should have achieved minimum competencies by June 2016.

Skills Development Expenditure										
Management level	Gender	Employees 2015/16 No.	Original Budget and Actual Expenditure on skills development							
			Learner ships		Skills programs & other short courses		Other forms of training		Total	
			Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
MM and S57	Female	1	0	0	0	0				
	Male	3	0	0	0	0	R6354	R6354	R6354	R6354
Legislators, senior officials and managers	Female	0 9	0	0	0	0				
	Male	15	0	0	0	0				
Professionals	Female	6	0	0	0	0	R5517	R5517	R5517	R5517
	Male	10	0	0	0	0				
Technicians and associate professionals	Female	1	0	0	0	0				
	Male	2			R8892	R8892	0	0	R8892	R8892
Clerks	Female	18	0	0	0	0	0	0	0	0
	Male	19	0	0	0	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	20	0	0	0	0	0	0	0	0
Plant and machine	Female	7	0	0	0	0	0	0	0	0
	Male	31	0	0	0	0	0	0	0	0
Elementary occupations	Female	37	0	0	0	0	R5472	R5472	R5472	R5472
	Male	105	0	0	0	0	R13680	R13680	R13680	R13680
Sub total	Female	79					R10982	R10982	R10982	R10982
	Male	205	0	0	0	0	R20034	R20034	R28926	R28926
<b>Total</b>		<b>284</b>	<b>0</b>	<b>0</b>	<b>8892</b>	<b>8892</b>	<b>R31016</b>	<b>R31016</b>	<b>R39 908</b>	<b>R39 908</b>

## SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work. To improve productivity in the workplace and the competitiveness of employers and to promote self-employment

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity, the plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1).

The municipality endeavours to provide training as planned in the WSP due to financial constraints not all trainings are implemented however there is a significant progress to ensure that in a financial year employees receive quality training to acquire new skills and improve performance.

## Accomplishments

- Section 56 employees have completed the Municipal Finance Management Programme in compliance with the National Treasury Minimum Competency levels regulations.
- 13 employees from levels 6-12 from the finance department, middle managers and other directorates have completed the Municipal Finance Management Programme
- 14 employees completed IDP, LED and PFMA programmes
- 34 employees completed the water and wastewater treatment process operation
- 6 Councillors completed councillors development programme
- 9 lower level employees completed Adult and training programme

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels9-12)	Female	None
	Male	None
Senior management (Levels13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
<b>Total</b>		<b>0</b>

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

<b>Employees appointed to posts not approved</b>				
<b>Department</b>	<b>Level</b>	<b>Date of appointment</b>	<b>No. appointed</b>	<b>Reason for appointment when no established post exist</b>
None				

# CHAPTER 5

## FINANCIAL PERFORMANCE

The overall operating results achieved for the past financial year closed off with a surplus of R34.4 million compared to a budgeted surplus of R47.9 million. Operating revenue for the year is R224.2 million (2015: R167.9 million) which reflects an increase of 33, 5%. The operating expenditure for the year is R188.9 million (2015: R166.3 million) which reflects an increase of 13.6%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R71.3-million which includes R 71.3-million from government grants and Rnil from own cash resources. Cash and short term investments increased by 569, 6% to R 6, 3-million (2015: R 945-thousand).

### COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE

Operating revenue excluding capital grants and subsidies but including equitable share for the year is R137, 7 million (2015: R113,8 million) which reflects an increase of 21%. Included in the above figure is equitable share to the amount of 54.8 million 24% of the total revenue.

Electricity remains the largest source of income and contributes 11.05% to operating revenue. Property rates constitute 3% of revenue.

Interest received has increased from R7.7 million to R8.4 million. This is due to the use of the TMT system.

The operating expenditure for the year is R188.9 million (2015: R166.3 million) which reflects an increase of 13.6% from the previous financial year. The main expenditures are employee related costs at R58, 7 million, debt impairment at R36.3 million, bulk purchases at R 26, 2-million and depreciation at R26.8 million. Repair and maintenance increased from R2.2 million to R3.3 million.

### COMPONENT A: STATEMENTS OF FINANCIAL POSITION

The current assets increased from R23.8 million to R33.9 million. This is an increase of 42.4%. This is an increase of R10.1 million.

The current liabilities increased from R73.7 million to R88.8 million. This is an increase of R15.1 Million.

The non-current assets increased from R494.1 million to R534.1 million. This is an increase of R40 million or 8%. This was largely due to capital grants from MIG and MWIG.

The non-current liabilities decreased by R0.4 million.

## 5.1 STATEMENTS OF FINANCIAL POSITION

<b>Financial Performance of Operational Services - Expenditure excludes grants for Capital Infrastructure</b>						
Description	Year 2014-15	Year 2015 - 16			Year 2015 - 16	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Water	13,463,236	19,397,402	23,391,743	13,352,025	-45%	-175%
Waste Water (Sanitation)	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Electricity	50,815,106	40,406,564	30,329,795	57,758,613	30%	-53%
Waste Management	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
Housing	678,387	610,301	909,074	814,837	25%	-112%
<b>Component A: sub-total</b>	<b>75,077,985</b>	<b>84,311,447</b>	<b>79,452,312</b>	<b>81,625,849</b>	<b>-3%</b>	<b>-97%</b>
Roads	5,060,628	11,948,590	12,410,850	4,850,187	-146%	-256%
<b>Component B: sub-total</b>	<b>5,060,628</b>	<b>11,948,590</b>	<b>12,410,850</b>	<b>4,850,187</b>	<b>-146%</b>	<b>-256%</b>
Planning (Strategic & Regulatory)	2,273,356	3,209,612	4,309,321	3,561,471	10%	-121%
<b>Component B: sub-total</b>	<b>2,273,356</b>	<b>3,209,612</b>	<b>4,309,321</b>	<b>3,561,471</b>	<b>10%</b>	<b>-121%</b>
Community & Social Services	6,770,856	6,857,319	6,694,184	6,268,535	-9%	-107%
Security and Safety	1,248,351	1,624,856	1,393,782	1,240,706	-31%	-112%
Sport and Recreation	1,260,417	1,000,889	824,120	520,280	-92%	-158%
Corporate Policy Offices and Other	54,907,076	43,803,337	45,838,787	67,049,692	35%	-68%
<b>Component C: sub-total</b>	<b>64,186,701</b>	<b>53,286,400</b>	<b>54,750,874</b>	<b>75,079,213</b>	<b>29%</b>	<b>-73%</b>
<b>Total Expenditure</b>	<b>141,538,042</b>	<b>140,807,459</b>	<b>138,512,506</b>	<b>160,266,533</b>	<b>12%</b>	<b>-86%</b>

T5.1.2

## COMMENTS

The amounts budgeted do not realise when compared to actual expenditure. The lowest variance is 53%.

(It would appear that capital expenditure may still need to be recognised)

## 5.2 GRANTS

OPERATING GRANT PERFORMANCE - Excludes grants for Capital Infrastructure						
R '000						
Description	Year 2014-15	Year 2015 - 16			Year 2015 - 16	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>-56,733,000</b>	<b>-58,742,000</b>	<b>-58,600,000</b>	<b>-58,600,000</b>	<b>0%</b>	<b>-100%</b>
Equitable share	-52,966,000	-54,825,000	-54,870,000	-54,870,000	0%	-100%
Municipal Systems Improvement	-934,000	-967,000	-930,000	-930,000	-4%	-100%
Finance Management Grant	-1,800,000	-1,950,000	-1,800,000	-1,800,000	-8%	-100%
Expanded Public Works Programme	-1,033,000	-1,000,000	-1,000,000	-1,000,000	0%	-100%
INEPG	0	0	0	0		
<b>Provincial Government:</b>	<b>-19,010</b>	<b>-2,429,948</b>	<b>-3,367,859</b>	<b>0</b>		
Support of 56 Managers	-19,010	-2,429,948	-3,367,859	0		
<b>Total Operating Transfers and Grants</b>	<b>-56,752,010</b>	<b>-61,171,948</b>	<b>-61,967,859</b>	<b>-58,600,000</b>	<b>-4%</b>	<b>-106%</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						T 5.2.1

### COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share grant is not increasing in line with inflation. This resulted as a result of the depopulation of the rural areas.

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for the Provincial Grants

## 5.3. ASSET MANAGEMENT

Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for the immovable assets. Illustrations of asset management approach in relation to the new assets set out below.

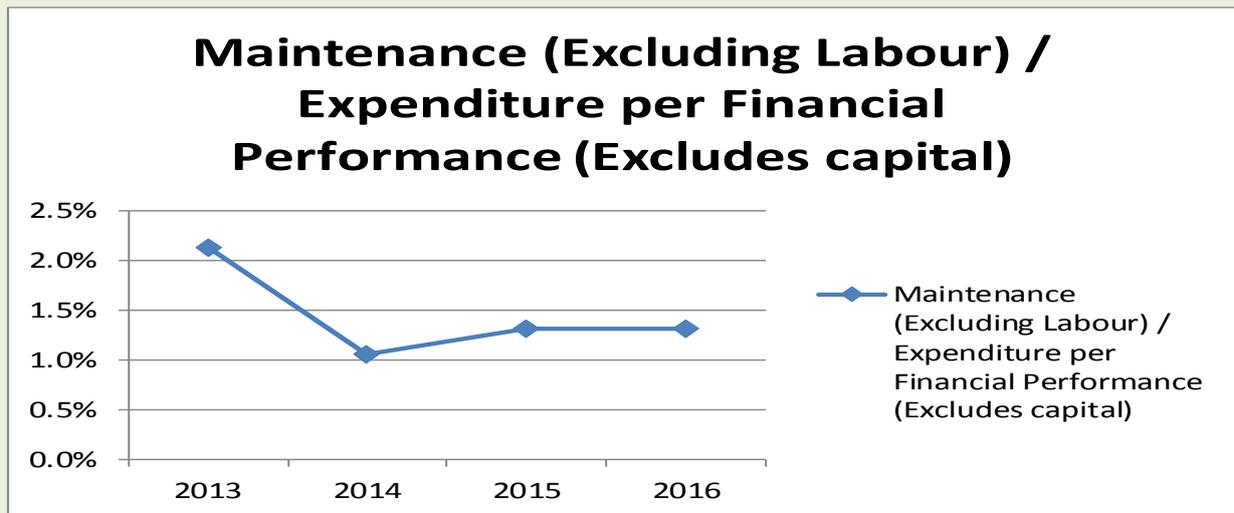
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16				
Asset 1				
Name	<a href="#">Upgrading of internal streets in Matlakeng</a>			
Description	Internal streets upgrade			
Asset Type	Internal streets			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project management Manager			
Asset Value	Year -3	Year -2	Year -1	Year 0
				R 44 760 173,90
Capital Implications	The project was completed on the 4 August 2015			
Future Purpose of Asset	Easy access and transport of residents			
Describe Key Issues	Delayed due to late employment of employees and strikes.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			
Asset 2				
Name	<a href="#">Upgrading of 15km Pipeline Montague dam</a>			
Description	Upgrade to existing 15km pipeline			
Asset Type	Pipeline			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project	Manager		
Asset Value	Year -3	Year -2	Year -1	Year 0
		R 6 848 496,77	R 23 160 744,04	R 29 681 036,42
Capital Implications	The project was completed on the 4 April 2016			
Future Purpose of Asset	Water supply to residence Zastron			
Describe Key Issues	Delayed due to late employment of employees and strikes.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			
Asset 3				
Name	<a href="#">Smithfield 14 high mast lights</a>			
Description	High mast lights			
Asset Type	High mast lights			
Key Staff Involved	Acting PMU	Manager	Skhumbuso	Shamase
Staff Responsibilities	Project	Manager		
Asset Value	Year -3	Year -2	Year -1	Year 0
			R 4 087 227,50	R 4 303 819,89
Capital Implications	The project was completed on the 15 May 2015			
Future Purpose of Asset	To provide lighting to residence at night			
Describe Key Issues	Appointment of subcontractor by Centlec was delayed.			
Policies in Place to Manage Asset	Yes, refer to asset management policy			

Repair and Maintenance Expenditure: Year 2016				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	11,136,159	7,230,819	3,329,518	70%
T 5.3.4				

The figure above does not include labour, transport and overheads.

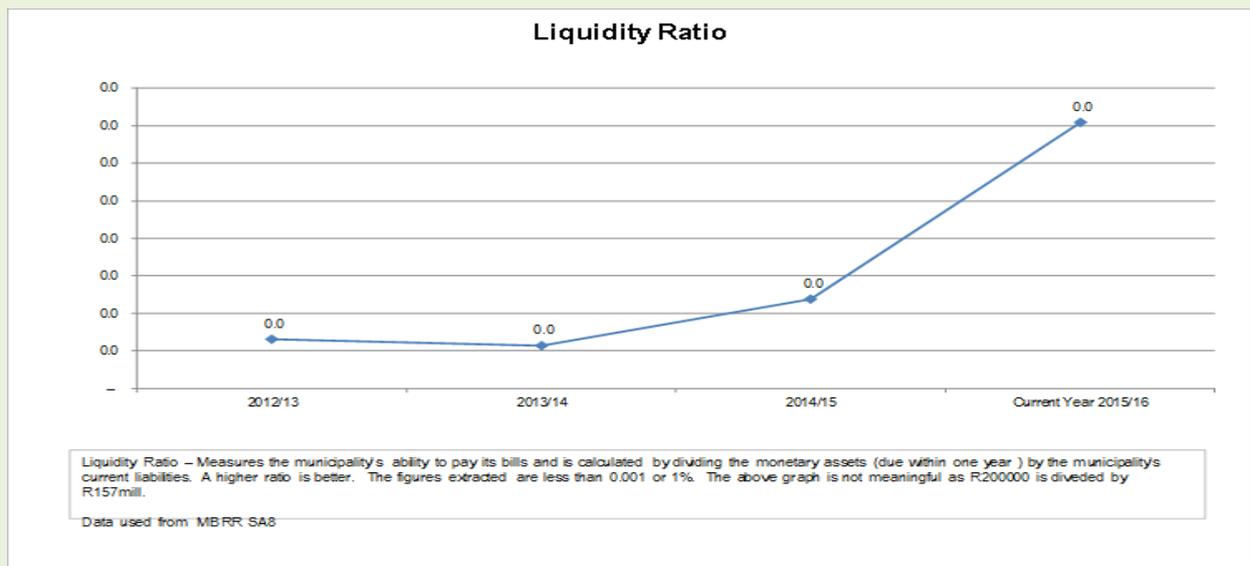
70% of the budgeted amount for the purchase of materials was not spent.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

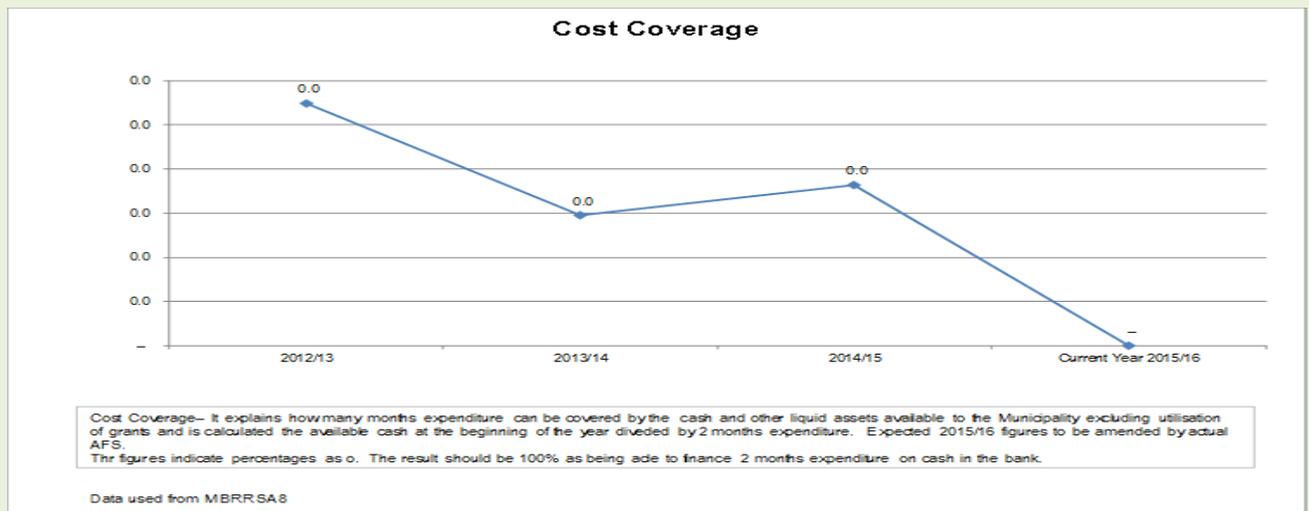


The actual expenditure in respect of maintenance is expressed against operating expenditure (excluding capital from grants)

The graph indicates that there is a relative decrease in material used to do maintenance.

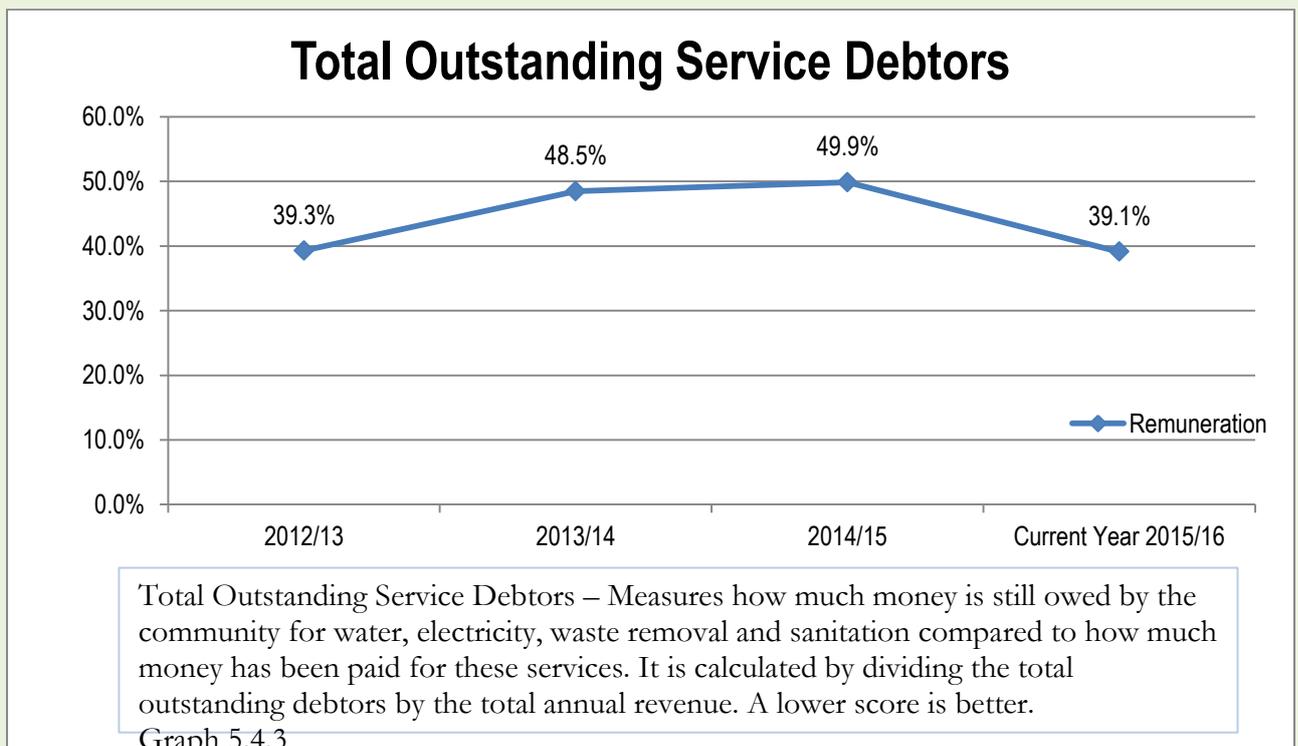


The above indicates that the municipality does not have sufficient liquid assets to pay the service debtors.

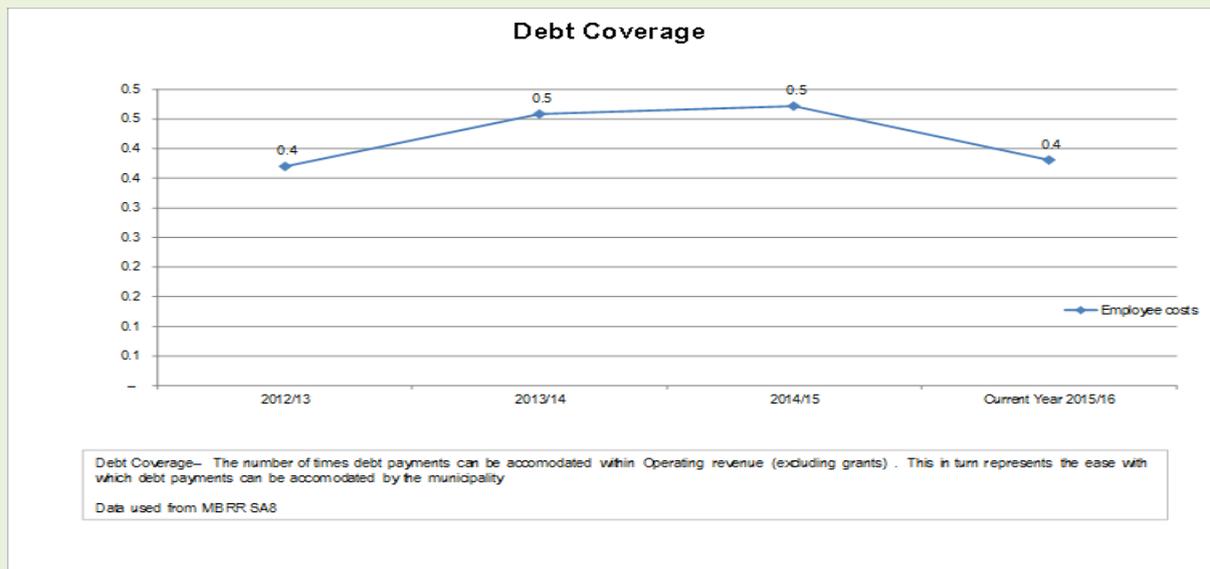


The parameters are that at the end of each year sufficient funds be available to pay 2 months average expenditure.

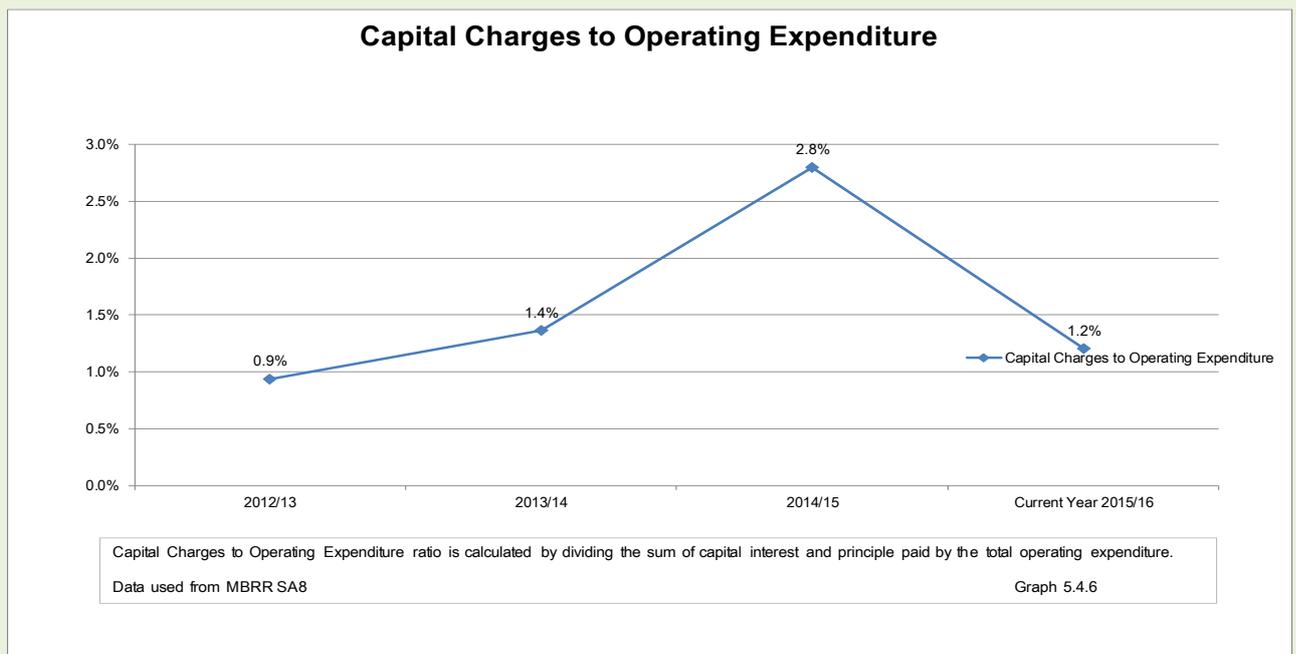
The operative percentage should be 100%, whereas it is less than 1%.



The Improvement for 2016 is a result of the increase in capital conditional grants.

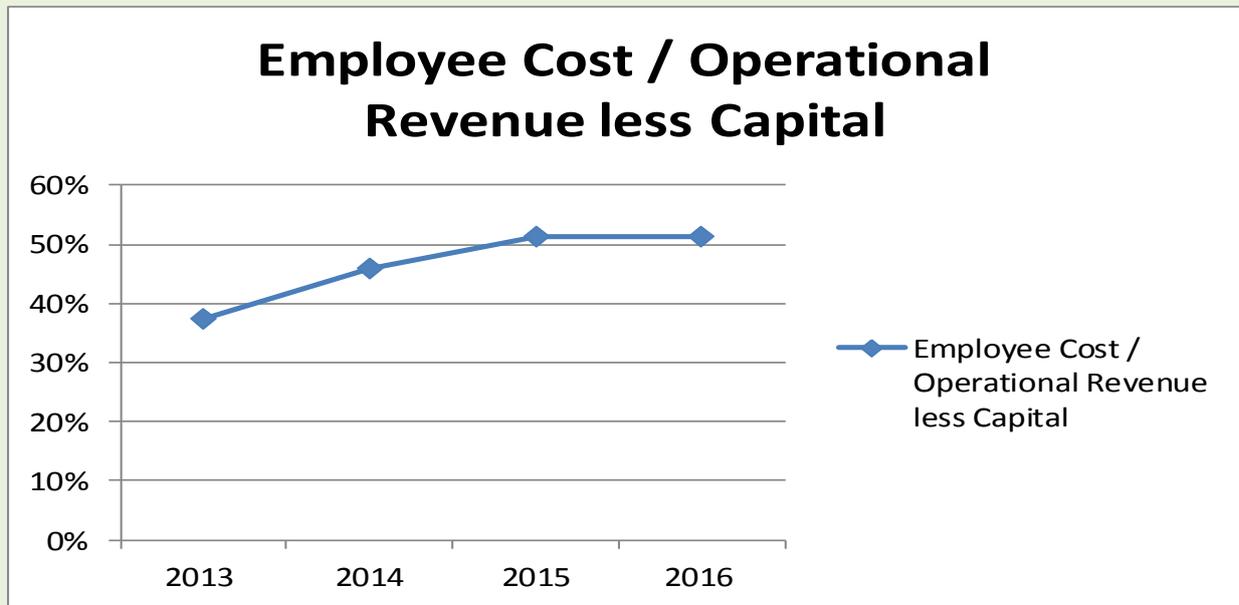


The graph indicates that the outstanding debtors are greater than the own income generated by the municipality and that such debtors may not be realised.

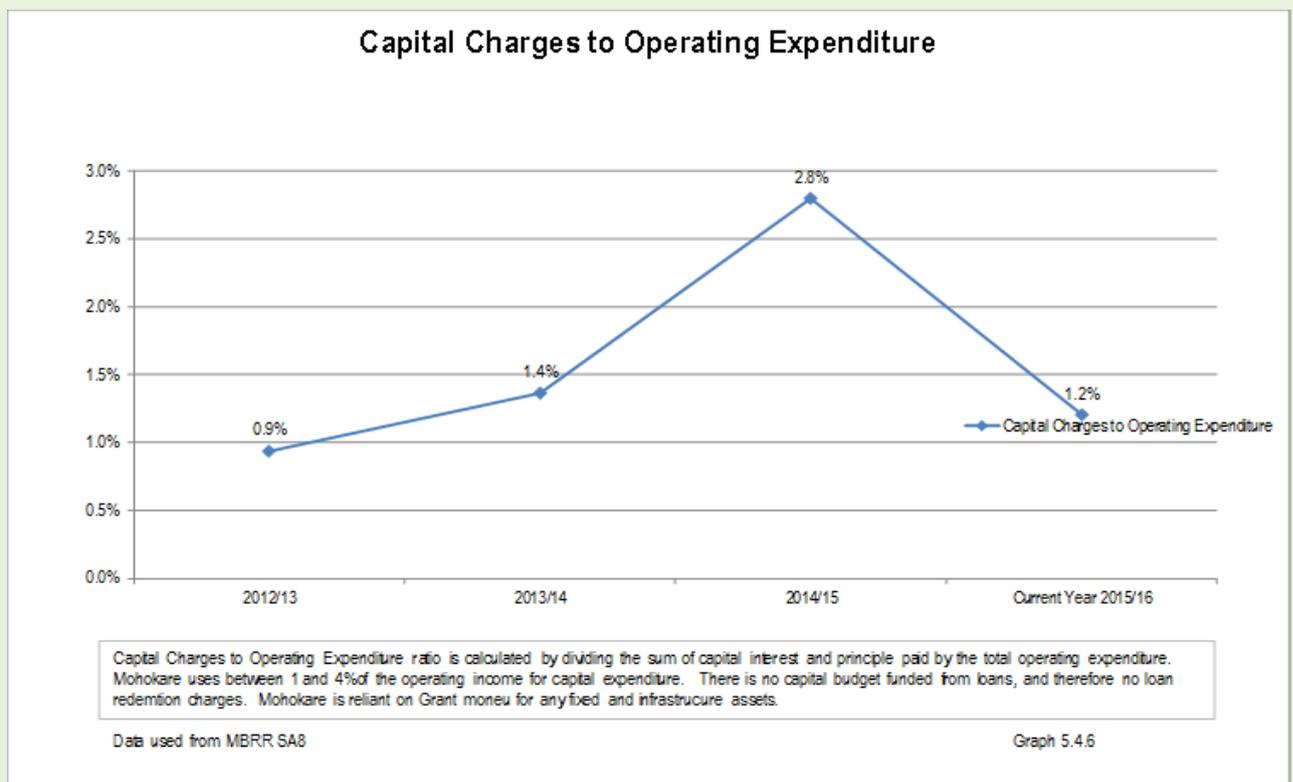


The council does not raise any loans for capital expenditure.

The capital charges should be between 10% and 20% of the operating expenditure.



The above indicates that relative to the income (excluding grants); the growth in employee cost has increased from 38% to above 50%.



**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET****5.5 CAPITAL EXPENDITURE (The figures are captured manually)**

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	88	77	80	8.4%	-4.3%
	<b>88</b>	<b>77</b>	<b>80</b>	8.4%	-4.3%
Operating Expenditure	168	178	182	-8.3%	-2.6%
	<b>168</b>	<b>178</b>	<b>182</b>	-8.3%	-2.6%
<b>Total expenditure</b>	<b>256</b>	<b>255</b>	<b>262</b>	-2.6%	-3.1%
Water and sanitation	69	61	74	-6.8%	-21.2%
Electricity	2	2	0	86.8%	86.8%
Housing	-	-	-		
Roads, Pavements, Bridges and storm water	13	10	4	68.3%	61.6%
Other	4	4	2	45.6%	42.3%
	<b>88</b>	<b>77</b>	<b>80</b>	8.4%	-4.3%
External Loans	-	-	-		
Internal contributions	-	-	-		
Grants and subsidies	85	75	80	6.7%	-5.7%
Other	2	1	0	78.0%	68.4%
	<b>88</b>	<b>77</b>	<b>80</b>	8.4%	-4.3%
External Loans	-	-	-		
Grants and subsidies	148	138	141	4.6%	-2.5%
Investments Redeemed	-	-	-		
Statutory Receipts (including VAT)	-	-	-		
Other Receipts	19	19	-	100.0%	100.0%
	<b>167</b>	<b>157</b>	<b>141</b>	15.3%	9.8%
Salaries, wages and allowances	61	58	59	3.2%	-1.8%
Cash and creditor payments	58	62	70	-21.8%	-13.3%
Capital payments	88	77	80	8.4%	-4.3%
Investments made	-	-	-		
External loans repaid	0	0	0	-7.5%	-7.5%
Statutory Payments (including VAT)	-	-	-		
Other payments	-	-	-		
	<b>206</b>	<b>197</b>	<b>209</b>	-1.6%	-6.4%
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	12	7	7	39.8%	3.3%
Service charges	61	61	57	6.2%	6.2%
Other own revenue	19	19	14	24.6%	26.4%
	<b>91</b>	<b>87</b>	<b>78</b>	14.2%	10.3%
Employee related costs	57	59	59	-2.9%	0.6%
Provision for working capital	-	-	-		
Repairs and maintenance	7	7	3	50.3%	54.0%
Bulk purchases	21	21	26	-27.9%	-27.9%
Other expenditure	80	87	90	-11.7%	-3.1%
	<b>165</b>	<b>174</b>	<b>178</b>	-8.2%	-2.4%
Service charges: Electricity	32	32	25	23.5%	23.5%
Grants & subsidies: Electricity	14	14	6	57.3%	57.3%
Other revenue: Electricity	0	0	0	-18.6%	-18.6%
	<b>47</b>	<b>47</b>	<b>31</b>	33.3%	33.3%
Employee related costs: Electricity	1	0	0	37.9%	9.9%
Provision for working capital: Electricity	-	-	-		
Repairs and maintenance: Electricity	0	0	1	-121.8%	-121.8%
Bulk purchases: Electricity	21	21	26	-28.0%	-28.0%
Other expenditure: Electricity	9	8	30	-228.8%	-257.9%
	<b>31</b>	<b>30</b>	<b>58</b>	-87.5%	-93.5%
Service charges: Water	11	11	18	-63.5%	-63.5%
Grants & subsidies: Water	74	66	69	6.8%	-4.5%
Other revenue: Water	-	-	0		
	<b>85</b>	<b>77</b>	<b>87</b>	-2.2%	-12.8%
Employee related costs: Water	7	12	12	-68.4%	2.6%
Provision for working capital: Water	-	-	-		
Repairs and maintenance: Water	2	2	2	-4.6%	13.5%
Bulk purchases: Water	-	-	-		
Other expenditure: Water	15	14	7	57.4%	53.2%
	<b>24</b>	<b>28</b>	<b>20</b>	16.9%	28.8%

**5.6 SOURCES OF FINANCES (captured manually)**

<b>Capital Expenditure - Funding Sources: Year -1 to Year 0</b>							<b>R' 000</b>
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>					
	<b>Actual</b>	<b>Original Budget (OB)</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Adjustment to OB Variance (%)</b>	<b>Actual to OB Variance (%)</b>	
<b>Source of finance</b>							
External loans	0	0	0	0	0.00%	0.00%	
Public contributions and donations	0	0	0	0	0.00%	0.00%	
Grants and subsidies	51328	85365	75365	79681	-11.71%	-6.66%	
Other	2660	2143	1495	473	-30.24%	-77.93%	
<b>Total</b>	<b>53988</b>	<b>87508</b>	<b>76860</b>	<b>80154</b>	<b>-41.95%</b>	<b>-84.59%</b>	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	95.1%	97.6%	98.1%	99.4%	27.9%	7.9%	
Other	4.9%	2.4%	1.9%	0.6%	72.1%	92.1%	
<b>Capital expenditure</b>							
Water and sanitation	32795	69057	60840	73738	-11.90%	6.78%	
Electricity	0	1865	1865	247	0.00%	-86.76%	
Housing	0	0	0	0	0.00%	0.00%	
Roads and storm water	16328	12562	10362	3980	-17.51%	-68.32%	
Other	4865	4024	3793	2189	-5.74%	-45.60%	
<b>Total</b>	<b>53988</b>	<b>87508</b>	<b>76860</b>	<b>80154</b>	<b>-35.15%</b>	<b>-193.90%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	60.7%	78.9%	79.2%	92.0%	33.8%	-3.5%	
Electricity	0.0%	2.1%	2.4%	0.3%	0.0%	44.7%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	30.2%	14.4%	13.5%	5.0%	49.8%	35.2%	
Other	9.0%	4.6%	4.9%	2.7%	16.3%	23.5%	
<b>T 5.6.1</b>							

**5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS**

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year			Variance: Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Construction of a 27km bulk water pipeline from the Orange River to Paisley dam in Rouxville	30,145	0	30,145	0	0
Construction of a 15km bulk water pipeline from Montague dam to Kloof dam and the Zastron Water Treatment Works	4,987	0	4,987	0	0
Upgrading of the Zastron WWTW	9,505	0	9,505	0	0
Construction of 3km access roads	2,067	736	2,803	3%	2%
Mofulatshepe upgrading of sports grounds	2,186	-544	1,642	2%	4%
<b>Construction of a 27km bulk water pipeline from the Orange River to Paisley dam in Rouxville</b>					
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	Poor performance from the consultant resulting in the contract termination				
Future Challenges	Additional funding for remedial works				
Anticipated citizen benefits	Sustainable water supply for future demands				
<b>Construction of a 15km bulk water pipeline from Montague dam to Kloof dam and the Zastron Water Treatment Works</b>					
Objective of Project	Increase of raw bulk water supply to Zastron				
Delays	Slow delivery of pipe material by suppliers & labour unrest				
Future Challenges	Over abstraction of raw water from Montague dam				
Anticipated citizen benefits	Sustainable water supply for future demands				
<b>Upgrading of the Zastron WWTW</b>					
Objective of Project	Discharging of acceptable effluent into natural resources & Improving GD score				
Delays	Delay in approval of the budget maintenance				
Future Challenges	Maintenance of the plant				
Anticipated citizen benefits	Environmental health				
<b>Construction of 3km access roads</b>					
Objective of Project	Upgrading of access roads in Mofulatshepe				
Delays	None				
Future Challenges	Maintenance				
Anticipated citizen benefits	Good trafficable roads				
<b>Mofulatshepe upgrading of sports grounds</b>					
Objective of Project	Upgrading of sport facility in Mofulatshepe				
Delays	Poor performance by the contractor				
Future Challenges	Vandalism				
Anticipated citizen benefits					

## 5.8 CASH FLOW (Captured manually)

<b>Cash Flow Outcomes</b>				
R'000				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	113 081	71 127	69 829	130 499
Government - operating		61 968	61 668	
Government - capital		86 254	76 254	
Interest	129	5 765	5 843	525
Dividends	7	11	11	10
<b>Payments</b>				
Suppliers and employees	(67 764)	(115 573)	(121 216)	(53 211)
Finance charges	(189)	(2 703)	(1 994)	(149)
Transfers and Grants		(7 365)	(7 365)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>45 265</b>	<b>99 484</b>	<b>83 030</b>	<b>77 674</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	(42 232)			(71 797)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets		(87 508)	(76 860)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(42 232)</b>	<b>(87 508)</b>	<b>(76 860)</b>	<b>(71 797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing	(340)	(272)	(272)	(494)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(340)</b>	<b>(272)</b>	<b>(272)</b>	<b>(494)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 693</b>	<b>11 704</b>	<b>5 898</b>	<b>5 384</b>
Cash/cash equivalents at the year begin:	(1 748)	359	359	945
Cash/cash equivalents at the year end:	945	12 062	6 256	6 329
Source: MBRR A7				T 5.9.1

The municipality closed the 2015/2016 financial year with a positive balance of R6 million.

## 5.9 BORROWINGS AND INVESTMENT

No new borrowings facilities were concluded during the financial year.

Actual Borrowings: Year -2 to Year 0			
			R' 000
Instrument	Year -2	Year -1	Year 0
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	12502	22467	25222
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	462	263	201
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>12 964</b>	<b>22 730</b>	<b>25 423</b>

Investments are made with different financial institutions.

Municipal and Entity Investments			
			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	163	169	202
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>163</b>	<b>169</b>	<b>202</b>
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consolidated total:</b>	<b>163</b>	<b>169</b>	<b>202</b>
			<i>T 5.10.4</i>

<b>Municipal and Entity Investments</b>			
<b>Investment* type</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>Municipality</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	163	169	202
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>163</b>	<b>169</b>	<b>202</b>
<b>Municipal Entities</b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consolidated total:</b>	<b>163</b>	<b>169</b>	<b>202</b>
			<i>T 5.10.4</i>

## 5.10 PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

## 5.11 SUPPLY CHAIN MANAGEMENT

Progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

<b>No</b>	<b>Name</b>	<b>Qualification</b>
1	Lesibo Sebatane	B.Com (Accounting) + MFMP
2	Pule Lesenyeho	B.Com (General) + MFMP
3	Thabiso Lebete	National Diploma (Internal Auditing) + MFMP
4	Dideka Mazwi	B.Tech (Cost & Management Accounting) + MFMP
5	Asavela Sigoxo	B.Com (General)

AGSA recommended that an SCM Manager be appointed. The Municipality did not have this vacancy previously in the organogram and it is now included.

**5.12 GRAP COMPLIANCE**

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

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

**CHAPTER 6 - REPORTS OF THE AUDITOR GENERAL TO  
THE FREE STATE LEGISLATURE AND COUNCIL ON  
MOHOKARE LOCAL MUNICIPALITY**

**6.1.1 AUDIT ACTION PLAN FOR 2014/2015 ADDRESSING AUDIT FINDINGS:**

<b>Auditor-General Report on Financial Performance: 2014/2015</b>	
<b>Audit Report Status*:</b>	Unqualified Audit Opinion
<b>Issues raised</b>	<b>Remedial Action Taken</b>
Late Third Party Payments	Detailed cash flow projections to assist the municipality in meeting our financial obligations.
Municipal Regulations on Minimum Competency Levels	A section of Minimum competency Levels for senior managers and supply chain accountants will be reflected in the Final Annual Report to be tabled to the Municipal Council
No processes in place to, on a continuous basis throughout the year, investigate instances of fruitless and wasteful-, irregular- and/or unauthorized expenditure.	<ul style="list-style-type: none"> <li>-Set out a timeline for monthly section 32 meetings, -</li> <li>Formally document all discussions held at meetings,</li> <li>- Perform all investigations as requested by the Section 32 committees.</li> </ul>
Non-compliances with supply chain management were identified	<ul style="list-style-type: none"> <li>-Better management of the Supply Chain Management Division</li> <li>-Ensure that the SCM Department reports on a monthly basis on all requirements as per SCM regulations</li> <li>- All reports and registers as required by SCM regulations should be compiled and reviewed on a monthly basis.</li> <li>- Ensure better record keeping and safeguarding of documents</li> <li>Supplier/contractor should be paid if we do not have a signed contract/ valid VAT invoices in our possession.</li> <li>- Registers as required should be kept up to date by SCM on a weekly basis</li> <li>- All tenders awarded should be published on the municipal website</li> <li>- Minutes of the meetings of the bid specification committees should safeguarded</li> <li>- Ensure that compliance to all relevant laws and regulations as stipulated are maintained.</li> <li>- Designing a template (checklist) to ensure that all steps as required are taken to meet all legislative requirements.</li> <li>- Minutes of the bid evaluation committee meetings should be made available to the AGSA to ensure that all requirements from their side are met.</li> </ul>

<b>Auditor-General Report on Financial Performance: 2014/2015</b>	
<b>Audit Report Status*:</b>	Unqualified Audit Opinion
<b>Issues raised</b>	<b>Remedial Action Taken</b>
Management did not establish proper controls over record keeping of procurement and contract.	Ensure better record keeping and safeguarding of the documents
Council did not adequately assess and monitor the effectiveness of the audit committee in performing its duties as stipulated in section 166(2)(a) and (b) of the MFMA .	A new Audit Committee was appointed for MLM. The Committee convenes on a quarterly basis to discuss compliance and other matters as per the AC Charter
Vacancies and lack of capacity within the internal audit unit.	An internal auditor was appointed in August 2015. In addition two (2) interns joined the team. Internal Audit reports on a quarterly basis to the Audit Committee.
The non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.	Detailed cash flow projections to assist the municipality in meeting our financial obligations.
The municipal's Integrated Development Plan (IDP) was reviewed on the 28 May 2014 by council and the Performance management System (PMS) was first adopted on the 28 August 2014	It shall be ensured that Performance Management Systems is reviewed in line with the municipal's IDP.
Management does not monitor The implementation of the Performance Management System policy.	It shall be ensured that the PMS policy going forward is reviewed in line with the prescribed Regulations
Prior year findings relating to revenue and receivables were not satisfactorily addressed by management.	-Design and implement controls over the review of processing of information on a monthly basis.
The municipality is not adhering to its own credit control policy.	- Revise the credit control policy to be in line with the day to day operations of Mohokare LM

<b>Auditor-General Report on Financial Performance: 2014/2015</b>	
<b>Audit Report Status*:</b>	Unqualified Audit Opinion
<b>Issues raised</b>	<b>Remedial Action Taken</b>
Reliability of supporting documentation received to confirm the reported performance in the annual audit report was not adequate.	-To be ensured that during the quarterly report phase relevant sufficient supporting documentation is maintained for every key performance indicator listed in the SDBIP and Annual Report
AOPO: Majority of the targets were not realized for basic service delivery and community	In preparation of the 2016/2017 SDBIP it shall be ensured that basic needs targets are realized in the SDBIP and adequate and reliable POEs are maintained to substantiate targets which have been indicated as achieved.
The municipality did not include the indicators for which the services are provided by Centlec; and did not compare the current period performance results to previous period results.	Providing Electricity is the core function of the municipality, however the services have been outsourced to Centlec. Currently the municipality is liaising with the electricity provider on developing and signing a Service Level Agreement. And to also provide financial and performance information.

**6.1.2. AUDIT ACTION PLAN FOR 2014/2015 ADDRESSING AUDIT FINDINGS:**

<b>Functional Area</b>	<b>Audit finding</b>	<b>Root cause</b>	<b>Remedial Actions [Separate row should be used for each action]</b>	<b>Completion date</b>	<b>Responsible Unit / department as well as Officials:</b>
<b>Irregular, Fruitless and wasteful and Unauthorised expenditure</b>	Proof that the section 32(4) reports with regards to irregular, fruitless and wasteful and unauthorised expenditure have been submitted to the MEC, the mayor and / or the Auditor-General could not be obtained.	We believe the issue occurred due to the fact that management has not yet developed nor implemented effective processes to monitor compliance to laws and regulations.	Management will be able to resolve this matter by conducting the following steps:  - Ensure that section 32 reports are compiled and submitted to the MEC, Mayor and AGSA	31 January 2017 and on-going	SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant
<b>Irregular, Fruitless and wasteful and Unauthorised expenditure</b>	The performance of audit procedures on the 2015-16 financial statements had confirmed that reasonable steps were not taken to prevent unauthorised-, irregular- and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	Management will be able to resolve this matter by conducting the following steps:  - Implement steps to ensure that unauthorised, irregular, fruitless and wasteful expenditure are prevented	31 January 2017 and on-going	CFO/SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Annual Financial Statements</b>	<p>Material misstatements identified in the AFS (ISS.66)</p> <p>The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA, as several material misstatements were identified throughout the audit which were communicated to management through communication of audit findings.</p>	<p>This was caused due to the fact that the draft financial statements were not adequately reviewed before it was submitted to the AGSA for auditing.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> <li>- Adequate and timeous review of the AFS by the Chief Financial Officer</li> </ul>	15-Jul-17	CFO
<b>Operating Expenditure</b>	<p>Contravention of section 65(2)(e) of the MFMA took place during the course of the year as MLM did not see to it that all creditors are paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure, as required by legislation.</p>	<p>The non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> <li>- start a mail register that track the date of receipt of an invoice;</li> <li>- ensure that invoices are date stamped and that track the distribution of the invoice through the various departments of the LM until it reaches the financial department for final payment.</li> <li>- ensure that better cash flow planning are done</li> </ul>	30-Jun-17	Chief Financial Officer/ Expenditure Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Procurement and Contract Management (SCM)</b>	Several findings on awards between R30 000 and R200 000 (ISS. 150)	This matter occurred due to the fact that: (a) the review processes by management were inadequate to ensure that all disclosures are correctly recognised in the AFS; (b) the municipality did not make the effort to obtain three quotations when only one quotation was submitted by a prospective supplier; and (c) the municipality had not provide adequate reasons when deviations had occurred.	Management will be able to resolve this matter by conducting the following steps:  - Ensure that the correct amount of supplier quotations are obtained - where only one quotation is obtained, consider whether to re-advertise/obtain additional quotations to ensure that the quote is in line with market prices (especially if the quotation is close to the upper threshold) - Ensure that each deviation is applicable to the area in which it is applied. Do not use a standardised deviation and attempt to make use of it in every situation	28-Feb-17	Supply Chain Management Accountant
<b>Receivables</b>	Interest charged on overdue accounts not in line with Council policy	Incorrect interpretation of the policy vs system formula	A submission was made to Council for approval in Nov 2016 which corrected the policy to be in line with the system with effect from 01 July 2015	30-Nov-16	Revenue

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<p><b>Revenue and Receivables</b></p>	<p>Compliance - revenue management (ISS. 177)</p>	<p>This is due to weaknesses identified in the controls of the billing system application, the electronic meter device application and a lack of monitoring of manual controls.</p>	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> <li>- Review the current financial system and consider changing to a more reliable financial system</li> <li>- Adequate management of the Revenue and Receivables department through stricter oversight from the Chief Financial Officer</li> <li>- Ensure timeuos monthly reconciliations by the Revenue Accountant, reviewed by the Revenue Manager and the CFO</li> <li>- Strengthen internal controls in the revenue division through clearly outlining the responsibilities of the Manager, Accountant, Clerk and officer.</li> </ul>	<p>28-Feb-17</p>	<p>CFO/Revenue Manager/Revenue Accountant</p>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>AOPO: Predetermined objectives</b>	6. AOPO - KPI set not including percentage of households having access to water and sanitation (ISS.51)	This resulted due to the fact that management did not consider prior year audit findings during the drafting process for the IDP.	<p>Management should ensure that the IDP is prepared in compliance with the Local Government: Municipal Planning and Performance Management Regulations (GNR. 796 of 24 August 2001) regulation 10(a) during the drafting process of the IDP in future.</p> <p>Management should revise the 2016/17 IDP and SDBIP accordingly.</p>	IDP - 31 January 2017 SDBIP - 25 February 2017	PMS Manager
<b>Expenditure</b>	Contravention of section 65(2)(e) of the MFMA took place during the course of the year as MLM did not see to it that all creditors are paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure, as required by legislation.	The non-payment of creditors within 30 days is as a result of serious cash flow problems that the municipality is facing.	<p>Management will be able to resolve this matter by conducting the following steps:</p> <ul style="list-style-type: none"> <li>- start a mail register that track the date of receipt of an invoice;</li> <li>- ensure that invoices are date stamped and that track the distribution of the invoice through the various departments of the LM until it reaches the financial department for final payment.</li> <li>- ensure that better cash flow planning are done</li> </ul>	30-Jun-17	Chief Financial Officer/ Expenditure Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Payables	Difference between suppliers statements' and creditors listing	the cause of the above is due to the lack of monthly reconciliations between the creditors listing and the creditors' statements.	Management will be able to resolve this matter by conducting the following steps:  - Perform monthly creditors reconciliations - Ensure that the year-end statements for all creditors are requested timeously	31-May-17	Senior Finance Manager/ Expenditure Accountant
Commitments	Contract register and commitment register not compared and reviewed (ISS.4)	This is due to weak internal controls over the contract register and a lack of independent review by a senior official, to ensure that the contract register is in line with the commitment register.	Management will be able to resolve the matter by taking the following steps:  - Monthly meetings between the Finance and PMU departments to ensure the correctness of information reported - Monthly comparison and review of the contract and commitments register by a senior official	28-Feb-17	Chief Financial Officer/Senior Finance Manager/ PMU Manager/ SCM Accountant
Commitments	Commitment Register details (ISS. 67)	A proper review was not performed on the commitment register. This matter also occurred due to the fact that the layout of the commitment register does not make provision for additional increases or decreases to the contract	Management will be able to resolve the matter by taking the following steps:  - Include the required columns in the commitments register as requested by the AGSA - Monthly meetings between the Finance and PMU departments to ensure the correctness of information reported	28-Feb-17	Chief Financial Officer/Senior Finance Manager/ PMU Manager/ SCM Accountant

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
		values.	- Monthly review of the commitments register by a senior official		
<b>Budget management compliance</b>	It was noted that the section 71 reports were not submitted to council by the legislated due dates	Non-compliance occurred because management does not adequately monitor the requirements of the applicable laws and regulations to ensure that compliance is adhered to.	Council Meetings schedule should cater for the due dates of section 52(d) reports	31-Jul-17	Budget & Reporting Accountant
<b>Budget management compliance</b>	The accounting officer did not present to council a report indicating any impending overspending of the municipality's budget.	Non-compliance occurred because management does not adequately monitor the requirements of the applicable laws and regulations to ensure that compliance is adhered to.	Unauthorised register should presented to council after the end of each financial year	31-Aug-17	Budget & Reporting Accountant
<b>Receivables from exchange and non-exchange transactions</b>	Receivables from non-exchange transactions: Presentation and disclosure (ISS.173)	This matter occurred due to the fact that inadequate review was performed by management on the adjusted notes prior to submitting it for audit.	Ensure that information required to compile the AFS are received from the respective user department no later than 15 July 2017. This will enable the Chief Financial Officer to perform a thorough review of the Annual Financial Statements.	05-Aug-17	Chief Financial Officer/ Senior Finance Manager
<b>Related Parties</b>	Insufficient disclosure (ISS.	This is due to the fact that management did not	<i>Obtain the information regarding all related parties from Council, S 56 Managers and other</i>	31-May-17	<i>Senior Finance Manager</i>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	159)	perform a proper review of the annual financial statements before submitting it for audit.	<i>members of Management.</i>		
<b>Inventory</b>	Inventory Accounting policy per the AFS not in line with GRAP requirements (ISS. 102)	We believe that the cause of the above is due to an incorrect interpretation of the GRAP 12.18 (a) standard on inventory.	Compare the Accounting Policy per the AFS to the requirements of GRAP and adjust the policy in the AFS to agree to GRAP.	30-Apr-17	Senior Finance Manager
<b>Journals</b>	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager
<b>VAT Returns</b>	Late submission of VAT Returns (ISS. 21)	This occurred due to the fact that the municipality was under an investigation by SARS and the submission of the VAT returns was postponed until the investigation was completed.	Management will be able to resolve this matter by conducting the following steps:  - Ensure the timeous submission of VAT returns	31 Jan 2017 and ongoing	Senior Finance Manager

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Centlec</b>	No signed agreement between Mohokare LM and Centlec SOC	From the evidence and representations made we are uncertain whether the lack of a signed agreement is due to the parties disputing the terms of the draft or due to management not sufficiently prioritising the establishment of a valid agreement.	Management will be able to resolve this matter by conducting the following steps:  - With the intervention of FSPT, obtain a signed agreement between Centlec and MLM	30-Jun-17	Municipal Manager/Chief Financial Officer
<b>Journals</b>	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager
<b>VAT Returns</b>	Late submission of VAT Returns (ISS. 21)	This occurred due to the fact that the municipality was under an investigation by SARS and the submission of the VAT returns was postponed until the investigation was completed.	Management will be able to resolve this matter by conducting the following steps:  - Ensure the timeous submission of VAT returns	31 Jan 2017 and ongoing	Senior Finance Manager

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Centlec</b>	No signed agreement between Mohokare LM and Centlec SOC	From the evidence and representations made we are uncertain whether the lack of a signed agreement is due to the parties disputing the terms of the draft or due to management not sufficiently prioritising the establishment of a valid agreement.	Management will be able to resolve this matter by conducting the following steps:  - With the intervention of FSPT, obtain a signed agreement between Centlec and MLM	30-Jun-17	Municipal Manager/Chief Financial Officer
<b>Journals</b>	Journal recording process (ISS. 52)	The matter occurred as a human error where the respective officials forgot to put in the dates and the individual who reviewed the journal vouchers for signatures and dates missed this error.	Proper review of all journal vouchers to ensure that the dates on which it is signed off is completed on the vouchers.	30-Jun-17	Senior Finance Manager
<b>Service Charges (prior year)</b>	Interim billing overstated	Unavailability of water meters	Installation of new water meters on all properties with damaged/faulty/broken meters to avoid interim billing	30-Apr-17	Revenue & Technical Services

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Property rates</b>	Property rates reconciliation differences	No adequate reviews	A rates reconciliation be signed as proof of review	31-Dec-16	Revenue
	Transfers not updated on the billing system	No regular updates on the consbill system	Consbill system be updated with information of the new owner received from lawyers transferring the property and/or water be disconnected from the property transferred to force the new owner to fill in a connection form so that his/her information can be updated	28-Feb-17	Revenue & Technical Services
	Valuation roll	Financial constraints	Non-preparation of the supplementary valuation roll & displaying of the farms roll on the website	28-Feb-17	Revenue
<b>Compliance</b>	Revenue management	Interface between two systems / Meterman vs SEBATA	Change to a new Financial System that will comply with the requirements of Sec 64 of MFMA	28-Feb-17	Finance

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<b>Irregular, Fruitless and wasteful and Unauthorised expenditure</b>	Proof that the section 32(4) reports with regards to irregular, fruitless and wasteful and unauthorised expenditure have been submitted to the MEC, the mayor and / or the Auditor-General could not be obtained.	We believe the issue occurred due to the fact that management has not yet developed nor implemented effective processes to monitor compliance to laws and regulations.	Management will be able to resolve this matter by conducting the following steps:  - Ensure that section 32 reports are compiled and submitted to the MEC, Mayor and AGSA	31 January 2017 and on-going	SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant
<b>Irregular, Fruitless and wasteful and Unauthorised expenditure</b>	The performance of audit procedures on the 2015-16 financial statements had confirmed that reasonable steps were not taken to prevent unauthorised-, irregular- and fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	Management will be able to resolve this matter by conducting the following steps:  - Implement steps to ensure that unauthorised, irregular, fruitless and wasteful expenditure are prevented	31 January 2017 and on-going	CFO/SCM Accountant/ Expenditure Accountant/ Budget & Reporting Accountant
<b>Internal control deficiencies (Policy on appointment of consultants)</b>	The municipality does have formally documented standard policies and procedures to monitor the work of appointed consultants of the municipality	The prior year recommendation on the drafting and obtaining approval of a policy for the monitoring of the work of	Draft a policy regarding the monitoring of the work of appointed consultants.	31-Jan-17	Chief Financial Officer PM Dyonase/ SCM / PMU Manager S Shamase
			Workshop the policy	28-Feb-17	

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	and also not a policy guiding such an evaluation process. (ISS. 25)	consultants has not yet been implemented.	Take the policy to Council for adoption	31-Mar-17	
<b>Supply Chain Management</b>	The policy does not include conditions which limit the number of petty cash purchases or the maximum amounts per months for each manage. The policy does not mention the limit and the number of petty cash purchases or the maximum amounts per month for each manager	Lack of review of the policy by the Senior Managers	Include the limit in the SCM policy	31-Mar-17	Chief Financial Officer/SCM
<b>Supply Chain Management</b>	The policy does not mention details of what constitute proper record keeping with regards to documenting the compliance when procuring goods or services through written / verbal quotations and formal written price quotations	Lack of review of the policy by the Senior Managers	Include details of what constitute proper record keeping in the policy	31-Mar-17	Chief Financial Officer/SCM

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Supply Chain Management	The policy does not mention details of what constitute proper record keeping with regards to documenting the compliance when procuring goods or services through written / verbal quotations and formal written price quotations	Lack of review of the policy by the Senior Managers	Include details of what constitute proper record keeping in the policy	31-Mar-17	Chief Financial Officer/SCM
Supply Chain Management	Not evident that the committee did in fact evaluate the bidders' ability and capacity to execute the contract.	Committee members not adequately capacitated with skills and training	All tender which are not straight supply and delivery must include functionality	On going	Chief Financial Officer/SCM
Supply Chain Management	The auditor was unable to obtain evidence that the invitation was advertised on the CIDB website	Staff unable to perform the function effectively	Official have been capacitated with enough training and are now able to perform the function	Ongoing	<i>Chief Financial Officer/SCM</i>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
<p><b>Supply Chain Management</b></p>	<p>No evidence could be obtained that consideration of the reasonability of the price of the winning bidder was given.</p>	<p>Improper documentation of the evaluation report</p>	<p>Reasonability of price to be included in all evaluation reports</p>	<p>Ongoing</p>	<p><i>Chief Financial Officer/SCM</i></p>

## APPENDIX A – COUNCILORS, COMMITTEE ALLOCATION AND , COUNCIL ATTENDANCE

Council Members	Full Time/ Part Time  FT / PT	Committees Allocated	Ward /Party Representative	Percentage council meetings attendance	Percentage Apologies for non-attendance
Clr. AM Shasha (Mayor)	FT		Ward 4 ANC	80	20
Clr. T Khasake	PT	Comm Serv / Tech Serv	Ward 1 ANC	90	10
Clr. A.M Letele	PT	Fin/Corp/MPAC	Ward 2 ANC	70	30
Clr. L. Lekhula	PT	Fin / Corporate	Ward 3 ANC	50	50
Clr. E. T Backward	PT	Planning & LED/ Comm Serv	Ward 5 ANC	100	0
Clr. R.J Thuhlo	PT	Fin /Planning & LED	Ward 6 ANC	90	10
Clr. I. Mehlomakulu	P/T	Fin /Planning & LED	Proportional ANC	90	10
Clr. BS Majenge	P/T	Comm Serv/ Tech Serv	Proportional ANC	90	10
Clr. MJ Sehanka	P/T	Fin/Corp/MPAC	Proportional ANC	70	30
Clr. S. Sephoka	P/T	Planning & LED Corp/MPAC	Proportional DA	50	50

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, IT, Town Planning, LED, PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, Records, Administration, Council Committee and Council support, Public Participation, Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Park, Recreation, Libraries, Social Services, Sport Development, Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads, Electricity
Municipal Public Accounts Committee	To conduct oversight on the execution performance of the municipality
Audit Performance Committee	To conduct oversight on the performance of the municipality

**APPENDIX C: THIRD TIER ADMINISTRATION**

<b>Third Tier Structure</b>	
<b>Directorate</b>	<b>Director/Manager (State title and name)</b>
<b>Office Of the Municipal Manager</b>	
Municipal Manager	T.C. Panyani
Integrated Development Planning	S.L. Majenge
Local Economic Development	S.N. Buyeye
Performance Management Services	T.L. Ravele
Human Resource Management	V.M. Ramotsabi
Internal Audit	T.P. Macala
Risk Management	N Ntoyi
Information Technology	K Rampheng
Securtiy Services	S Kaibe
Town Planning	E Meades
<b>Finance Department</b>	
Chief Financial Officer	P.M. Dyonase
Acting Senior Manager	E Wasserfall
Revenue Manager	S Moorosi
<b>Corporate Department</b>	
Director Corporate	L.V. Nqoko-Rametse
Senior Manager Administration	M.M. Van Pletzen
<b>Technical Department</b>	
DirectOR Technical	M.N. Tsoamotse
Water Quality Manager	T.E Fobane
Acting Project Manager	S.L Shamase
<b>Community Department</b>	
Acting Community Director	D Marais
Community Services Manager	T.A. Lekwala

**APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY**

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES (outsourced to CENTLEC)	NO
Fire fighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	NO
Municipal public transport	NO	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	?	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	YES	NO
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO
Street trading	NO	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

### APPENDIX E : WARD REPORTING

Ward Name( Number)	Name of Ward Councillor and elected ward committee member	Committee Established( Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Cllr. O . Khasake	Yes	04	07	03
Ward 2	Cllr. A Letele	Yes	02	09	04
Ward 3	Cllr. L. Lekhula	Yes	06	07	None
Ward 4	Cllr. A. Shasha	Yes	08	10	05
Ward 5	Cllr. E. Backward	Yes	03	04	None
Ward 6	Cllr. J. Thuhlo	Yes	Disestablished	06	03

**APPENDIX G – AUDIT COMMITTEE’S REPORT****REPORT OF THE MOHOKARE LOCAL MUNICIPALITY AUDIT & PERFORMANCE COMMITTEE FOR THE YEAR 2015/2016****1. Background**

- 1.1 The purpose of the Audit and Performance Committee is to exercise oversight over the municipality’s:
  - 1.1.1 financial and non-financial performance to the extent that it affects the municipality’s exposure to risk and weakens the control environment;
  - 1.1.2 financial reporting process; and
  - 1.1.3 governance, risk management and internal control processes, and provide independent assurance on the adequacy thereof.
- 1.2 The importance of the Audit and Performance Committee can be sighted as follows:
  - 1.2.1 increasing public confidence in the objectivity and fairness of financial and other reporting;
  - 1.2.2 reinforcing the importance and independence of internal and external audit and similar review processes;
  - 1.2.3 providing additional assurance through a process of independent review; and
  - 1.2.4 raising awareness of the need for adequate internal controls, effective performance and the implementation of audit recommendations and compliance with laws and regulations.
- 1.3 The Terms of Reference for the Audit and Performance Committee were compiled in accordance with section 166 of the MFMA and the King III Report on Corporate Governance, and are enshrined in the Audit and Performance Committee Charter.

**2. Audit Committee Members and Attendance**

- 2.1 During the financial year under review, the Audit and Performance Committee consisted of four (4) non-executive members, including the Chairperson.
- 2.2 Meetings were scheduled to sit on a quarterly basis as stipulated in the approved Audit and Performance Committee Charter.
- 2.3 During the 2015/16 financial year, four (4) meetings were held and attendance of members were as follows:

Member	28 August 2015	12 February 2016	20 May 2016	24 June 2016
Ms. K. Mackerduth (chairperson)	<i>a</i>	<i>a</i>	<i>a</i>	<i>a</i>
Ms. MP. Koatla (member)	<i>a</i>	<i>a</i>	<i>a</i>	<i>a</i>
Mr. VW. Vapi (member)	<i>a</i>	<i>a</i>	<i>a</i>	<i>a</i>
Mr. TA. Shabalala (member)	<i>a</i>	Resigned.		
Ms. Z Chonco (member)	Appointed 31 May 2016			R

Legends:

a – attended meeting

r – apology was received

### 3. Audit and Performance Committee Responsibility

- 3.1 The Audit and Performance Committee was established to assist in improving management reporting by overseeing internal and external audit functions, internal controls, and the financial reporting process, compliance with accounting policies, legal requirements, internal controls and other policies within the Municipality.
- 3.2 The Committee interacts with and evaluates the effectiveness of the external and internal audit processes and reviews compliance with the code of ethics.
- 3.3 The Audit and Performance Committee complied reports aligned with its responsibilities arising out of Section 166 of the MFMA and Treasury Regulation 27.1.8 and 27.1.10.
- 3.4 The Audit and Performance Committee adopted formal terms of reference as its Audit and Performance Committee Charter and has subsequently regulated its affairs in compliance with the said charter, discharging its responsibilities as contained therein.

### 4. The adequacy and effectiveness of governance, risk management and control

- 4.1 The internal audit unit of the Municipality has furnished the audit committee with reports of its evaluation of the adequacy and effectiveness of governance, risk management and internal control processes within the Municipality.
- 4.2 **Governance**
- 4.2.1 During interaction with the members of management, the Committee noted that leadership provided within the Municipality is effective and efficient. The management style adopted by Leadership of the Municipality enhances a sense of accountability and responsibility.
- 4.2.2 The Committee noted that Management is providing internal audit with the support necessary to ensure effectiveness of their operations.

#### 4.3 Risk Management

- 4.3.1 The Committee is concerned that the Municipality has identified significant risks that may impact on the achievement of its objectives.
- 4.3.2 It was also noted that the Risk Management Committee was non-functional for two (2) quarters during the current financial year.
- 4.3.3 The Committee advised that the Risk Management component should be viewed as a fundamental unit for Internal Audit Unit to operate effectively.

#### 4.4 Internal Controls

- 4.4.1 Based on the reports presented to the Committee by the Internal Audit Unit, the Committee noted that significant progress was being made to improve the internal control system within the Municipality.

### 5. The quality of management and monthly / quarterly reports submitted in terms of the Act

- 5.1 The quality of monthly / quarterly reports submitted in terms of MFMA and the Division of Revenue Act requires improvement. The Committee has indicated such areas as well as the nature of reports that can supplement S71 reports.

### 6. Evaluation of Annual Financial Statements

- 6.1 The Committee reviewed the 2015/16 Annual Financial Statements (AFS) and were not satisfied with the quality presented.
- 6.2 Recommendations with regard to presentation and disclosure, completeness and accuracy of Assets, Liabilities, Revenue and Expenditure was made.
- 6.3 Sufficient review over these statements must be conducted prior to submission to the Committee.

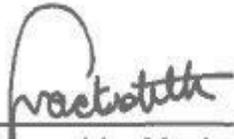
### 7. Performance Management

- 7.1 The 2015/2016 financial year was the first year of operation of the Audit and Performance Committee (APC) which serves as a sub-committee of the Audit Committee.
- 7.2 The Committee assessed all three (3) quarterly performance of the year i.e. 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>, which were audited by the Internal Audit Section.
- 7.3 The Performance Management System is experiencing teething challenges with respect to the assessment methodology and adherence to the SMART criteria for targets set; however there has been some improvement in terms of instructional awareness of performance related service delivery approach.

- 7.4 The APC has contributed in assisting Mohokare Local Municipality Performance Plan to raise the bar and it is hoped that further gains would be attained in the next financial year.
- 7.5 The Audit and Performance Committee is satisfied that the Municipality has implemented an effective system of monitoring progress with the achievement of performance targets.
- 7.6 More can be done to improve on areas related to the non-achievement of targets, specifically service delivery related.

## 8. Conclusion

- 8.1 The Committee is grateful for the co-operation, dedication and support displayed by Management, under the sound leadership of the Municipal Manager, Mr. TC. Panyani, as they strive to improve the financial and non-financial performance of the Municipality.



Ms Klaveshka Mackerduth CA (SA)  
Chairperson: Audit and Performance Committee  
Mohokare Local Municipality

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (2 Largest Contracts Entered into during 2015/2016)					
Name of Service	Description of Services	Start	Expiry	Project	Contract
AON SA	Insurance: 3 Years	30/09/15	28/09/18	E Wilken	807
Altech Netstar	Fleet Management System	21/01/15	19/01/19	J Yeko	345

The municipality does not have any Public Private Partnership agreements at present.

**APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	Service Indicators Service Targets	Amount	Year 0		Year 1		Satisfaction Rating 1 – Very Good Rating 2 – Good Rating 3 - Average Rating 4 - Bad
			Target (Amount)	Actual (Amount)	Target (Amount)	Actual (Amount)	
			Previous Year (iv)	(v)	Previous Year (vi)	(vii)	
Improchem (Pty) Ltd	Supply and delivery of water treatment chemicals	R 552 254,67	R 92 042,45	R 92 042,45	0	0	3
EMS Advisory (Pty) Ltd	Preparation of fixed assets register - infrastructure	R 938 680,00	R 938 680,00	R 938 680,00	0	0	3
AON South Africa	Insurance: 3 years	R 804 805,77	R 223 557,16	R 223 557,16	0	0	4
Altech Netstar	Fleet Management System	R 345 146,40	R 230 097,60	R 230 097,60	R 115 048,80	R 115 048,80	4
Uniquenco Property (Pty) Ltd	Valuation Roll	R 1 800 000,00	See SLA	See SLA	See SLA	See SLA	3
Traffic Management	Traffic Management	See SLA	See SLA	See SLA	See SLA	See SLA	4

		Municipal Entity/Service Provider Performance Schedule					
Solutions							
ABSA	Provision of banking and related services	See SLA	See SLA	See SLA	See SLA	See SLA	3
Centlec	Electricity	TBA	TBA	TBA	TBA	TBA	3

**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS**

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2015/2016</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests Nil / Or details</b>
<b>Mayor</b>	Cr. A.M. Shasha	Sentsoeti Development Centre Spouse business 50% Married in community
<b>Councillors</b>		
	Cr. T. Khasake	Nil
	Cr. A.M Letele	Full time employee Correctional Services
	Cr. L. Lekhula	SMME Contractors 20%
	Cr. E. Backward	Director Matlakeng Charcoal 10 x shares
	Cr. R. Thuhlo	Sethuka Cooperative Cattle farming
	Cr. I. Mehloakulu	Nil
	Cr. B.S Majenge	Nil
	Cr. M.J Sehanka	Nil
	Cr. S. Sephoka	Nil
	Cr. I.S Riddle	Dummer Family Trustee Nick's Place Guest House 50%
<b>Municipal Manager</b>	C.T. Panyani	Four Organs Trust Kanep Trust & Katep PC Training & Business College Residential Property Zastron (Rental)
<b>Chief Financial Officer</b>	P.M. Dyonase	Nil
<b>Director Corporate Services</b>	L.V Nqoko-Rametse	Sabbath Business Consultancy – No income Info Com Biz Center – No income Old mutual shares
<b>Director Technical Services</b>	M.N. Tsoamotse	Nil
<b>Director Community Services</b>	Vacant	-

## APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K ( i ) : REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0		Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	6	5 372	5 372	1 853	-190%	-190%
Finance and Admin	64 949	46 982	42 429	51 583	9%	18%
Planning and Development	-	995	995	470	-112%	-112%
Health	-	-	-	-	0%	0%
Community and Social Services	115	4 246	4 246	2 058	-106%	-106%
Housing	811	704	1 060	902	22%	-18%
Public Safety	2 800	2 328	2 328	11 930	80%	80%
Sport and Recreation	0	1 163	1 163	513	-127%	-127%
Environmental Protection	-	-	-	-	0%	0%
Waste Water Management	13 235	26 113	26 350	18 452	-42%	-43%
Road Transport	1 033	3 852	3 856	2 295	-68%	-68%
Water Distribution	12 432	16 849	16 849	20 515	18%	18%
Electricity Distribution	22 364	44 746	44 746	30 616	-46%	-46%
Other	-	-	-	-	0%	0%
<b>Total Revenue by Vote</b>	<b>117 745</b>	<b>153 349</b>	<b>149 394</b>	<b>141 188</b>	<b>-9%</b>	<b>-6%</b>
<i>Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1

**APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE**

Revenue Collection Performance by Source							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	6 515	11 627	7 232	6 994	-66%	-3%	
Property rates - penalties & collection charges	-	-	-	-	0%	0%	
Service Charges - electricity revenue	22 364	32 420	32 420	24 788	-31%	-31%	
Service Charges - water revenue	12 403	10 890	10 890	17 803	39%	39%	
Service Charges - sanitation revenue	8 024	10 832	10 832	8 802	-23%	-23%	
Service Charges - refuse revenue	5 205	6 750	6 750	5 841	-16%	-16%	
Service Charges - other	-	238	238	127	-87%	-87%	
Rentals of facilities and equipment	1 064	663	1 018	1 072	38%	5%	
Interest earned - external investments	935	7	85	813	99%	90%	
Interest earned - outstanding debtors	-	5 758	5 758	-	#DIV/0!	#DIV/0!	
Dividends received	7	11	11	10	-10%	-10%	
Fines	1 639	1 400	1 400	11 504	88%	88%	
Licences and permits	4	-	3	2	100%	-28%	
Agency services	-	-	-	-	0%	0%	
Transfers recognised - operational	56 765	61 968	61 968	58 762	-5%	-5%	
Other revenue	2 764	10 786	10 790	4 646	-132%	-132%	
Gains on disposal of PPE	55	-	-	24	100%	100%	
Environmental Protection	-	-	-	-	0%	0%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>117 745</b>	<b>153 349</b>	<b>149 394</b>	<b>141 188</b>	<b>-8.61%</b>	<b>-5.81%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						T K.2	

## APPENDIX L – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	–	–	–	0%	0%	
Public Transport Infrastructure and Systems Grant	–	–	–	0%	0%	
<i>Other Specify:</i>						
Regional Bulk Infrastructure Grant	53 000	45 000	55 927	5%	20%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries.
Municipal Water Infrastructure Grant	15 000	15 000	15 000	0%	0%	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service
Municipal Systems Improvement Grant	930	930	930	0%	0%	To assist municipalities in building in house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act, 2000 and related legislation and policies
Finance Management Grant	1 800	1 800	1 800	0%	0%	To promote and support reforms in financial management by building the capacity in municipalities to implement the MFMA Act
Integrated National Electrification Programme Grant	474	474		#DIV/0!	#DIV/0!	To implement the INEP by providing capital subsidies to Eskom or its subsidiaries to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.
Expanded Public Works Programme	1 000	1 000	1 000	0%	0%	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development in line with the EPWP guidelines
<b>Total</b>	<b>72 204</b>	<b>64 204</b>	<b>74 657</b>	<b>3%</b>	<b>14%</b>	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						TL

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINIC

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

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

The municipality is an Electricity Service provider; however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	4649	4637	12
Rouxville	2088	2086	2
Smithfield	1635	1635	0
<b>Total</b>	<b>8372</b>	<b>8358</b>	<b>0</b>

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

The municipality did not make any loans in the current financial year.

Appendix L refers to all conditional grants made by the municipality.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR THE  
PERIOD ENDING 31 JUNE 2016.**