



**MOHOKARE**  
LOCAL MUNICIPALITY

**DRAFT ANNUAL REPORT**

**2016/2017**

**MOHOKARE LOCAL MUNICIPALITY FS 163**

**(Before Noting by Municipal Council)**

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## CHAPTER 1



### COMPONENT A: MAYOR'S OVERVIEW

#### MAYOR'S FOREWORD

**Vision:** To be a community-driven municipality that ensures sustainable quality service delivery applying principles of good governance.

**Mission:** A performance-driven municipality that utilises its resources to respond to community needs.

**Slogan:** Re aha motse

Mohokare Local Municipality endeavoured to have sound management in finance, good cooperative governance, provide strategic direction, capacitate and encourage skills competencies during its financial year 2016/17. The IDP & Budget that were conducted in the financial year is a proof of a mandate that our communities gave to the municipality to improve the quality of their lives. Mohokare Local Municipality performed well in the {2016/2017} 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.

2017 is the important year for all South Africans, the year marks the centenary commemoration of the birth of Oliver Reginald Tambo; an internationalist par excellence. O.R Tambo once warned us that a country that doesn't take care of its youth doesn't deserve its future, hence the Office of the Mayor managed to fill a critical post of Youth Development Practitioner.

In the year of Oliver Reginald Tambo, we dare not to forget the cries of the community regarding the maintenance of the graveyards in all areas of Mohokare at large, the project was completed with notable success.

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 2016/2017 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.

## **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 (2016/2017) as undertaken by the municipality.

Regards,

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**I MEHLOMUKULU**

**MAYOR**



## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1 ACTING MUNICIPAL MANAGER'S OVERVIEW**

The 2016/17 Annual Report is hereby submitted to the broader community of Mohokare and all its relevant stakeholders with pride. Mohokare local municipality has, during the financial year devoted itself to the achievements of its priorities and activities as outlined in the IDP while adhering to the SDBIP approved by Council.

The municipality succeeded in performing both legislative and administration functions bestowed upon it, while involving stakeholders in its activities under the guidance of the Council at large. Our goal for the past financial year was clear and unambiguous, to deliver municipal services to the best of our abilities.

Informed by the priority needs of the communities, the SDBIP is geared towards improving the quality of life of the community through a particular focus on the following pillars:

- Service delivery and Infrastructure development
- Good governance and administration
- LED and job creation
- Environmental and health issues
- Land use, rural development and human settlement

Mohokare Local 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. It is unfortunate that the municipality has regressed from an unqualified audit opinion to Disclaimer of opinion. The basis of the opinion according to AGSA was the inability to gain sufficient evidence on a number of matters as contained in the report. It is

anticipated that going forward, the municipality will lay a good foundation and enhancing internal controls in improving the opinion.

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. We urge all residents to assist service delivery by paying for their services, rates & taxes.

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 2016/2017.

**Kind regards**

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**S MOOROSI**

**ACTING 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 POPULATION AND ENVIRONMENTAL OVERVIEW**

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

The community survey conducted in 2016 estimates the population of Mohokare to be at 35 840 with 12 387 households

**Demographics as per STATS SA 2016**

Geography	Total population	Gender		Age				% of Youth	Dependency Ratio [Per 100 (15 - 64 Years)]	Sex Ratio (Males per 100 Females)
		Male	Female	0-14 Years (Children)	15-34 Years (Youth)	35-64 Years (Adults)	65 + Years (Elderly)			
<b>Free State</b>	<b>2834714</b>	<b>1379965</b>	<b>1454749</b>	<b>797265</b>	<b>1058948</b>	<b>732863</b>	<b>245638</b>	<b>37.4</b>	<b>58.2</b>	<b>94.9</b>
<b>Xhariep</b>	<b>125884</b>	<b>62474</b>	<b>63409</b>	<b>33355</b>	<b>48209</b>	<b>32128</b>	<b>12191</b>	<b>38.3</b>	<b>56.7</b>	<b>98.5</b>
Letsemeng	40044	21140	18904	9955	15794	10656	3639	39.4	51.4	111.8
Kopanong	49999	24812	25188	13007	18802	13227	4964	37.6	56.1	98.5
Mohokare	35840	16523	19317	10393	13613	8245	3589	38.0	64.0	85.5

**Households Dynamics as per STATS SA 2016**

Geography	Total households	Average household size	Child-headed households (10 - 17 Years) %	Female headed households %	Formal dwellings %	Housing owned/paying off %
<b>Free State</b>	<b>946638</b>	<b>3.0</b>	<b>0.6</b>	<b>41.7</b>	<b>83.6</b>	<b>70.2</b>
<b>Xhariep</b>	<b>44767</b>	<b>2.8</b>	<b>0.8</b>	<b>37.6</b>	<b>89.2</b>	<b>62.8</b>
Letsemeng	13969	2.9	0.5	31.5	85.1	73.0
Kopanong	18412	2.7	0.6	37.4	89.3	60.0
Mohokare	12387	2.9	1.3	44.8	93.6	55.3

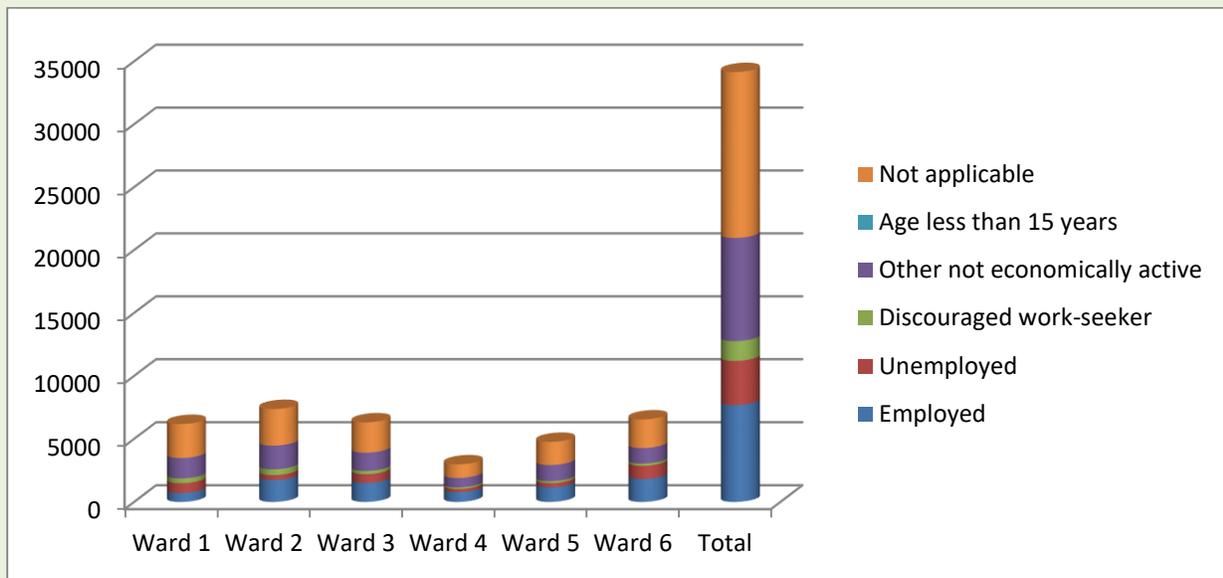
**SOCIO ECONOMIC STATUS**

**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>13185</b>	<b>34146</b>

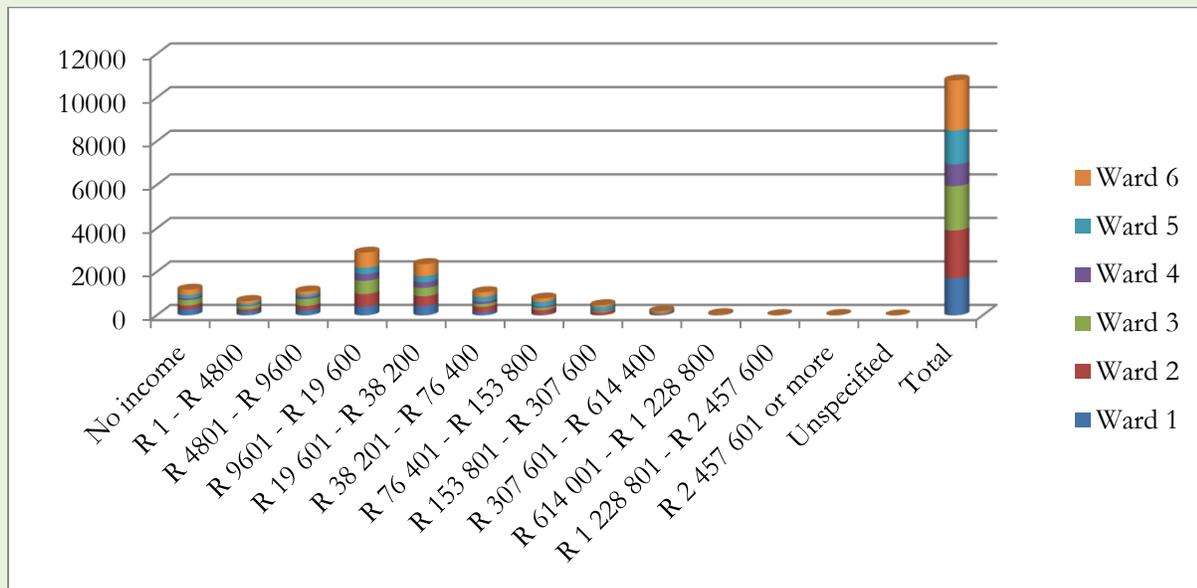
**STATS SA 2011**



**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>

STATS SA 2011



**Overview of neighbourhoods within Mohokare Local Municipality as per STATSSA 2011**

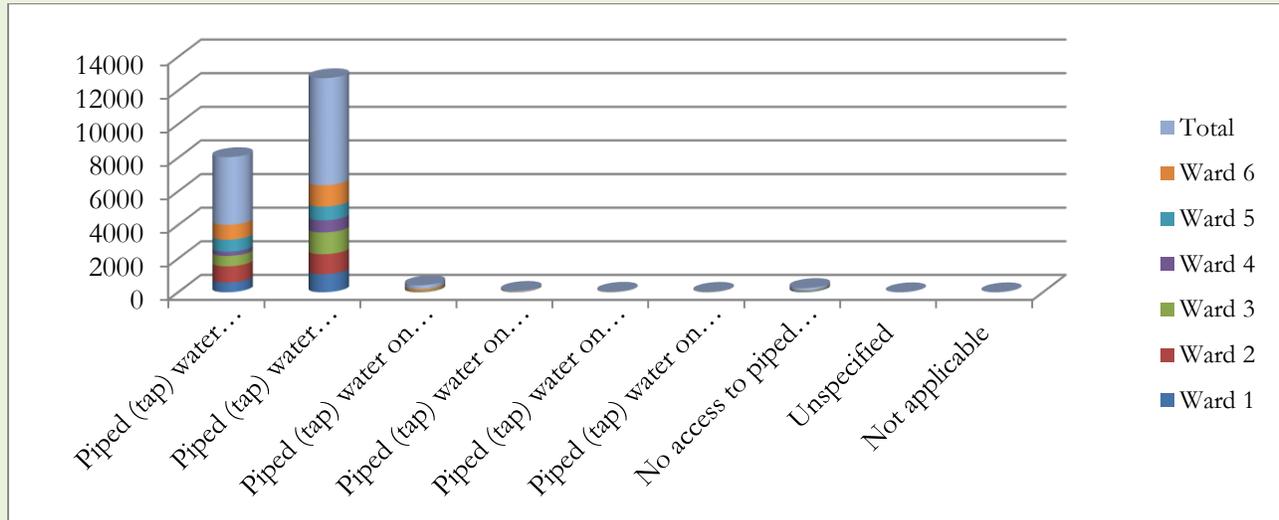
	Census/ Households- Households	Census/Populat ion – Population	Census/Popul ation – Population group	Census/Popul ation – Population group	Census/Popul ation – Population group Indian or Asian	Census/Popul ation – Population group Other	Census/Popul ation – Population group White
	N	N	Black African	Coloured	N	N	N
Ward 1 ZASTRON	1705	<b>6181</b>	6163	7	6	5	1
Ward 2 ROUXVILLE	2208	<b>7370</b>	6353	182	21	31	783
Ward 3 ZASTRON	2036	<b>6307</b>	5963	37	9	4	294
Ward 4 ROUXVILLE	1000	<b>2982</b>	2655	194	5	2	126
Ward 5 ZASTRON	1552	<b>4762</b>	4020	59	41	3	639
Ward 6 SMITHFIELD	2292	<b>6543</b>	5865	290	11	16	361
<b>Total</b>	<b>10793</b>	<b>34145</b>	<b>31019</b>	<b>769</b>	<b>93</b>	<b>61</b>	<b>2204</b>

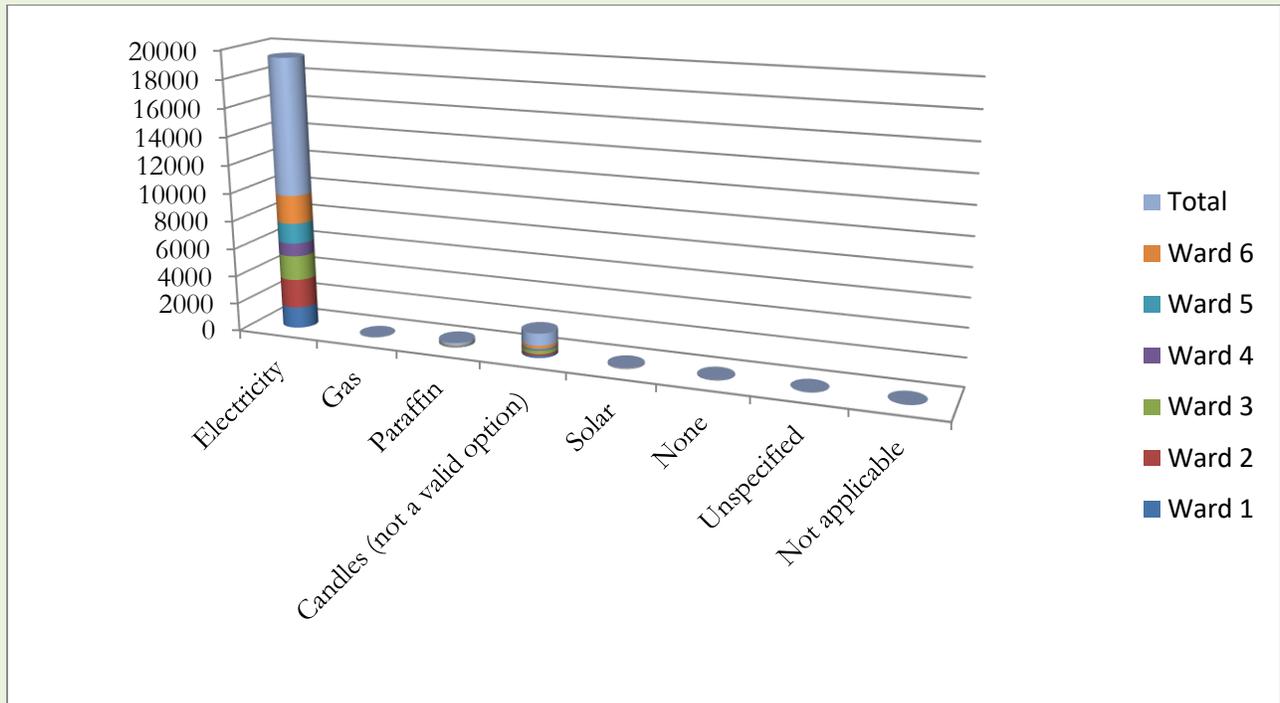
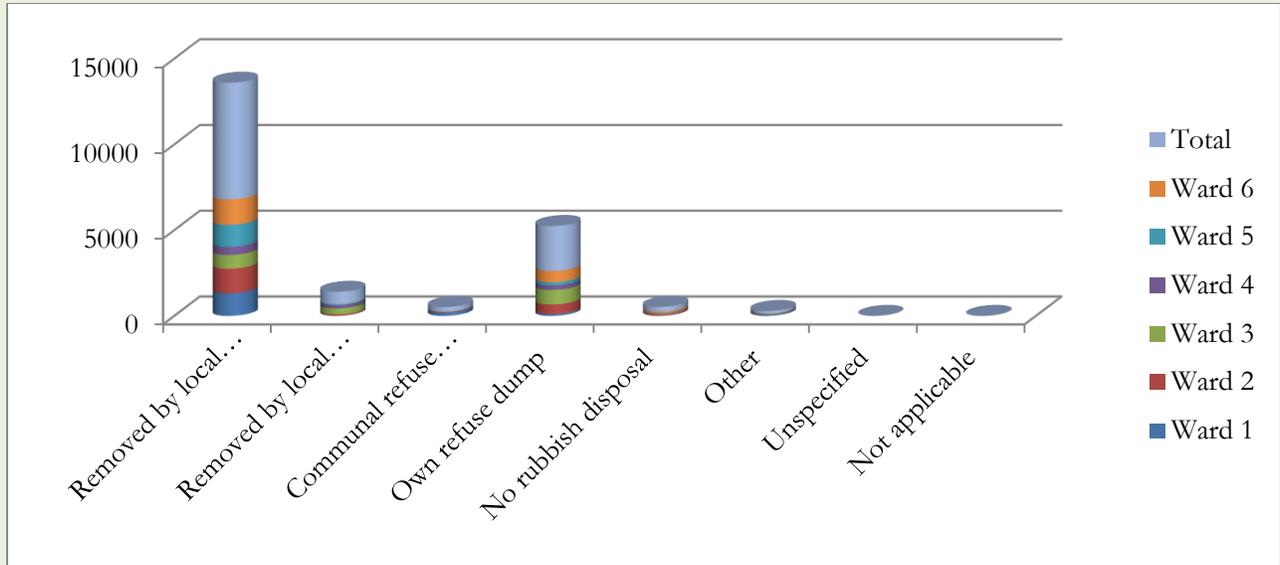
### 1.3 SERVICE DELIVERY OVERVIEW

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 drought 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 drought. The eradication of buckets still can't be concluded due to the Bucket Eradication Programme (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 accordance with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

### **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 6% 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**

The number of indigents has decreased from 2079 to 840 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 2016/2017 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 R205 million, with a collection rate of 7%. This significant increase in the debt book as well as the drastic decline in the collection rate was brought on by the Municipality converting to a new financial system and during the period of the transfer of information accounts were not issued to consumers, hence the decline in the collection rate.

The municipality employs the services of its lawyer to assist in the collection of long 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 been compiled and all finished infrastructure assets had been unbundled. The biggest challenge now is the maintenance of these 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 2016 - 2017			
Details	Original budget	Adjustment Budget	Actual
<i>Income:</i>			
Grants - Operational	57,297,000	57,297,000	57,297,000
Grants - Capital	93,694,000	93,694,000	46,580,920
Taxes, Levies and tariffs	65,277,123	65,320,689	77,587,947
Other	27,436,242	27,784,764	27,889,551
<b>Sub Total</b>	<b>243,704,365</b>	<b>244,096,453</b>	<b>209,355,418</b>
<i>Less: Employee costs</i>	60,873,540	62,315,201	60,772,980
<i>Less: Councillor Remuneration</i>	3,850,261	3,825,755	3,406,365
<i>Less: Debt Impairment</i>	14,699,763	14,699,763	66,074,769
<i>Less: Depreciation and asset impairment</i>	29,848,543	29,848,543	30,133,678
<i>Less: Finance Charges</i>	2,212,200	2,297,195	7,016,677
<i>Less: Bulk Purchases</i>	22,208,256	22,208,256	25,111,920
<i>Less: Other Expenditure</i>	33,539,342	38,419,818	30,466,662
<b>Sub Total</b>	<b>167,231,905</b>	<b>173,614,531</b>	<b>222,983,051</b>
<b>Surplus/(Deficit)</b>	<b>76,472,460</b>	<b>70,481,922</b>	<b>-13,627,633</b>
			T 1.4.2

**COMMENT****Income**

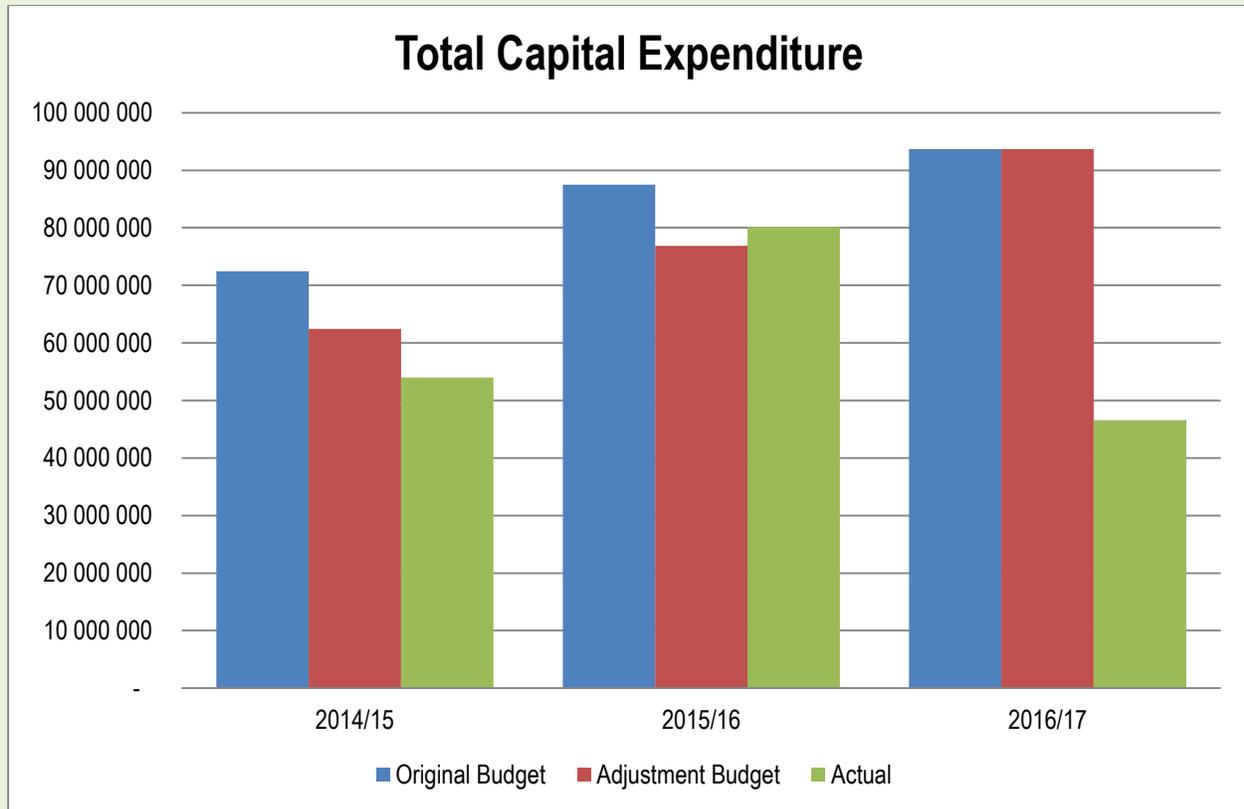
Form the above it can be seen that the municipality is grant reliant. R103,8 million of revenue are from grants received compared to the R60 307 071 million (including electricity sales by Centlec SOC) derived from own operations.

**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	29.78%
Repairs & Maintenance	1.79%
Finance Charges & Impairment	3.15%

Total Capital Expenditure: 2014-15 to 2016-17			
	R'000		
Detail	2014/15	2015/16	2016/17
Original Budget	72,435,713	87,508,100	93,694,000
Adjustment Budget	62,423,895	76,860,000	93,694,000
Actual	53,987,745	80,152,000	46,580,920
			T 1.4.4



## 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 2016/17 Financial Year. The framework has been reviewed and was adopted by Council at a Council meeting held on the 30<sup>th</sup> of May 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

Mohokare Local Municipality received a Disclaimer of opinion for the 2016/17 financial year as compared to the two previous years. The AG opinion as stated in their audit report states: **“I do not express an opinion on the financial statements of the municipality. Because of the significance of matters described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.”**

See chapter 6 for the complete report of the Auditor General.

## 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 2016/17 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 2017
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01 <sup>st</sup> July 2016
3.	Finalise the 4th quarter Report for previous financial year	14 <sup>th</sup> July 2017
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	31 <sup>st</sup> August 2017
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 2017
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 2017
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	31 <sup>st</sup> January 2017
10.	Auditor General audits, Annual Report including consolidated Annual Financial Statements and Performance data	31 <sup>st</sup> August 2017
11.	Municipalities receive and start to address the Auditor General's comments	31 <sup>st</sup> January 2018

NO	ACTIVITY	TIMEFRAME
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31 <sup>st</sup> January 2017
14.	Oversight Committee assesses Annual Report	31 <sup>st</sup> March 2017
15.	Council adopts Oversight report	31 <sup>st</sup> March 2017
16.	Oversight report is made public	07 <sup>th</sup> March 2017
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 2017
19.	Annual Report and Oversight Reports to be used as input	31 <sup>st</sup> May 2017

*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 August 02, 2016 Local Government elections, the Council changed as outlined below:

1. Mayor (ANC PR Councilor)	Cllr. N.I Mehlomakulu
2. Ward 1 Councilor	Cllr. T.S. Khasake
3. Ward 2 Councilor	Cllr. T.D Mochechepa
4. Ward 3 Councilor	Cllr. L. Lekhula
5. Ward 4 Councilor	Cllr. B.M. Valashiya
6. Ward 5 Councilor	Cllr. T.I Phatsoane
7. Ward 6 Councilor	Cllr. M.I Morapela
8. Democratic Alliance PR Councilor	Cllr. I.S. Riddle
9. Democratic Alliance PR Councilor	Cllr. M.L Lephuthing
10. EFF PR Councilor	Cllr. L.J Lipholo
11. EFF PR Councilor	Cllr. B.J Lobi

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 seven (7) councilors from the ANC, two (2) from the DA and two (2) from the EFF.

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. B.M. Valashiya	Finance
Clr. L. Lekhula	Planning and Local Economic Development
Clr. M.I. Morapela	Corporate Services Committee
Clr. T.I. Phatsoane	Community Services
Clr. T.S. Khasake	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 2015/2016 was adopted by council in January 2017. The Oversight Committee discussed the Annual Report and adopted it with reservations on the 31<sup>st</sup> March 2017.

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

Cllr L Lekhula	Member
Cllr M.I Morapela	Member
Cllr T.S Khasake	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 and the municipality's performance management system and make recommendations in this regard to the council. The audit committee should meet 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. N Maqabe	Chairperson
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

The risk committee was not functional during 2016/2017 due to unforeseen circumstances

- **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.

Currently the MPAC is a shared service with the Xhariep District Municipality.

- **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.

## **POLITICAL STRUCTURE**

### **MAYOR/SPEAKER**

Cllr. Nokufa Irene Mehlomakulu

### **CHIEF WHIP**

Cllr. Thabo Simon Khasake

### **HONOURABLE COUNCILORS**

Cllr. T.D Mochechepa

Cllr. B.M Valashiya

Cllr. L. Lekhula

Cllr. T.I Phatsoane

Cllr. M.I Morapela

Cllr. M.L Lephuthing

Cllr. I.S Riddle

Cllr. L.J Lipholo

Cllr. B.L Lobi



Councillor P.C Phatsoane  
African National Congress



Councillor M.J Morapela  
African National Congress



Councillor M.L Lephuthing  
Democratic Alliance



Councillor I.S Riddle  
Democratic Alliance



Councillor N.I Mehlomakulu  
African National Congress



Councillor L. Lekhula  
African National Congress



Councillor L.J Liphoolo  
Economic Freedom Fighters



Councillor B.M Valashiya  
African National Congress



Councillor T.S Khasake  
African National Congress



Councillor B.J Lobi  
Economic Freedom Fighters



Councillor T.D Mochechepa  
African National Congress

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 2017:

<b>Date of Council meeting</b>	<b>Decision/resolution taken</b>	<b>Responsible directorate</b>	<b>Implemented/Not</b>	<b>Reasons for deviation</b>	<b>Corrective action taken</b>
14/09/2016	<b>13.1.5 REPORT ON PRIVATELY OWNED VACANT SITES</b>  Administration to conclude the research on the relevant legislation governing the matter before the identified sites can be advertised.	Manager Community Services	10%		The Manager Community Services had a discussion with the Senior Administration Manager and met with the Town Planner to work on the processes through the Ordinance.
13 AND 14/09/2016	<b>13.1.3 POLICY ON PROOF OF RESIDENCE</b>  Council adopted the draft Proof of Residence Policy for consultation with communities with the final document to be tabled in the next council meeting.	Chief Finance Officer	0%		
25/01/2017	<b>6.2 MID-YEAR BUDGET AND PERFORMANCE</b>	PMS Manager	90%	Awaiting the finalization	The SDBIP will be amended

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
	<p>REPORT (JULY 2016 – DECEMBER 2016)</p> <p>The new objectives on the IDP as revised by the incoming Council should be included in the Service Delivery Budget Implementation Plan (SDBIP).</p>			n of the IDP	accordingly in line the new Council's strategic objectives IDP.
13/12/2016	<p>13.6.2.1 REPORT ON AMENDMENT TO GENERAL PLAN SMITHFIELD</p> <p>Council agreed to the subdivision of municipal owned properties in Smithfield in order to accommodate the medium income group with the provision of sites.</p>	Town Planner	20%	Due to lack of funds, the town planner will proceed in the next financial year	<p>The Town Planner has started with the process of sub-division of the said properties as per the E-lodgment system. There are different stages to be done before the application can be lodged.</p> <ol style="list-style-type: none"> <li>1. Request for title deeds from deeds office</li> <li>2. Obtain 3 quotations from surveyors for sub-division.</li> </ol>

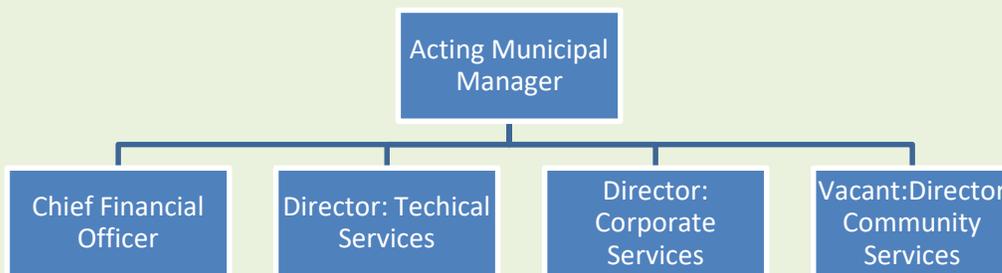
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/Not	Reasons for deviation	Corrective action taken
					3. Request services report from Technical Department

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



During the 2016/2017 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:

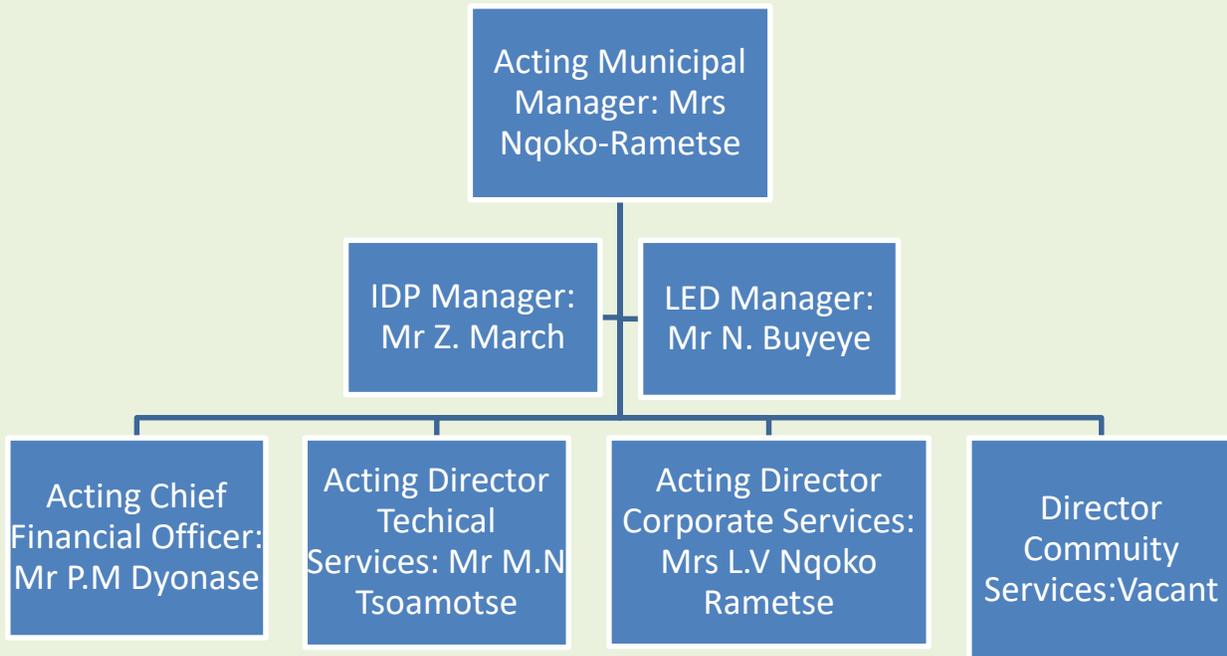
Acting Municipal Manager	Mr. T.C Panyani
Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. M. N. Tsoamotse
Director: Community Services:	Vacant
Director: Corporate Services:	Mrs. L. V Nqoko-Rametse

However, the Municipal Manager Mr. Thabo Panyani’s contract ended on the 30<sup>th</sup> October 2016, and was extended by 3 months until end January 2017.

The Deputy Director General of CoGTA Free State Mr. Siphon Thomas was seconded from Provincial Cogta for a period of 3 months which ended on the 30<sup>th</sup> April 2017.

The Corporate Director Me Nqoko-Rametse was then appointed as Acting Municipal Manager for a period of 3 months until end July 2017.

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. However, in September 2016 the IDP Manager Mr. Majenge resigned and Mr. Z. March was appointed as the IDP Manager. Therefore, the Management structure is as shown below;



**TOP MANAGEMENT TEAM**



**Acting Municipal Manager:  
Mrs. L.V Nqoko-Rametse**



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



**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 Councillors 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 6 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 March, April and 2017 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 stakeholder's 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	Sept 2016	10	8	Number vary from town to town	Yes	Feedback formed part of ward meetings report
Awareness Programme: Woman and children killings and abuse	June 2017	4	10	+ - 250	Yes	None
IDP/ Budget consultative meetings	Mar-Apr 2017	11	10	Number vary from town to town	Yes	Scheduled for August 2017
Ward Community Meetings	Quarterly	one per ward	5 per ward	Number vary from ward to ward	Yes	monthly-Quarterly

**2.5 IDP PARTICIPATION AND ALIGNMENT**

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
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.

For the 16/17 financial year the municipality had no functional risk management committee. Due to non-availability of the chairperson of the committee.

An effective risk management strategy can improve accountability by ensuring that risks 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	13	0	11	2
Corporate Services	6	3	2	0
Financial Services	13	2	1	10
Municipal Manager	25	4	12	9
Technical Services	21	6	12	3
<b>Total</b>	<b>78</b>	<b>15</b>	<b>38</b>	<b>24</b>

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

- No re-evaluation of services providers appointed.
- Unregistered households on Municipal billing system.
- Unauthorised illegal dumping sites which pose as health hazards.
- Ineffective performance management systems.
- Incurring fruitless and wasteful expenditure.

## **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 on the 20 June 2016 and Audit Committee on the 24 June 2016:

- Fraud prevention plan in place
- Risk Management Strategy
- Risk Management Policy

During the month of November as it known as international fraud month the risk unit posted posters in the notice boards of the municipality, the aim of the post was to create awareness to the employees, community of Mohokare to come and report alleged cases of fraud either to the municipality or by dialing the national hotline.

## 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 during the financial year 2016/2017:

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
By-Laws relating to Rules and Orders, 2017	None	None	None	Yes	13/01/2017
*Note: See MSA section 13.					T2.9.1

## 2.10 WEBSITE

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

MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's Website	Yes/ No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2017-06-09
All current budget-related policies	Yes	2017-06-09
The previous annual report	Yes	2016-04-08
-The annual report 2015/2016 published	Yes	2017-04-05
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2016-08-08
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	2016-08-31
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 2016/2017 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.

A number of about 48 households in Rouxville have been provide with waterborne sanitation which translates in all households having provision of waterborne sanitation in Mohokare Local Municipality and this has been set as the minimum service level for the Municipality. Through the Municipal Capital budget, the Municipality has managed to undertake an upgrading of the Zastron waste water treatment works which is anticipated to be completed in July 2017. In addition, the Smithfield waste water treatment plant was completed in 2013.

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 Refenghotso/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 Roleyathunya/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 have been drilled and equipped to supplement surface water while awaiting funding for pipeline upgrade. WTW was upgraded in 2011.

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 as 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.

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	1701826	161550.60

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%

Water Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<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-Minimum Service Level and Above</i>				
<b>Water: (below min level)</b>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	255	255	255	266

Financial Performance 2016-17 : Planning Services (Includes Town Planning, IDP and LED)					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	470	988	988	918	-8%
Expenditure:					
Employees	3,473	3,691	3,756	3,782	2%
Repairs and Maintenance	-	-	-	-	0%
Other	88	767	665	171	-349%
<b>Total Operational Expenditure</b>	3,561	4,458	4,421	3,953	-13%
<b>Net Operational Expenditure</b>	3,091	3,470	3,433	3,035	-14%
					T 3.10.5

Financial Performance 2016-17: Water Services						R'000
Details	2015-16	2016-17				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	82,888	82,724	82,724	59,519	-39%	
Expenditure:						
Employees	11,701	12,059	12,871	12,547	4%	
Repairs and Maintenance	1,584	1,508	1,633	1,065	-42%	
Other	6,642	15,825	16,999	8,497	-86%	
<b>Total Operational Expenditure</b>	19,927	29,392	31,503	22,109	-33%	
<b>Net Operational Expenditure</b>	-62,961	-53,332	-51,221	-37,410	-43%	
					T 3.1.8	

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; and
- 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	344	0
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 only problem with sanitation is the network blockages and scarce water for people to be able to flush.

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 has just been completed.

<b>Sanitation Service Delivery Levels</b>				
<b>Description</b>	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
	<b>Outcome</b>	<b>Outcome</b>	<b>Outcome</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<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>	<b>10793</b>	<b>10793</b>	<b>10793</b>	<b>10793</b>
<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>	<b>1798</b>	<b>1798</b>	<b>1798</b>	<b>669</b>
<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>				<b>T 3.2.3</b>

Employees: Sanitation Services					
Job Level	Year -1	Year0			
	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 2016-17: Sanitation Services					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9,073	17,212	17,212	10,716	-61%
Expenditure:					
Employees	6,466	6,654	6,493	6,435	-3%
Repairs and Maintenance	78	1,604	1,604	167	-860%
Other	1,521	15,669	15,680	1,550	-911%
Total Operational Expenditure	8,065	23,927	23,777	8,152	-194%
Net Operational Expenditure	-1,008	6,715	6,565	-2,564	362%
					T 3.2.8

Capital Expenditure 2016-17: Sanitation Services					
Capital Projects	R' 000				
	2016-17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,489	1,489	1,639	9%	
Upgrading of the Zastron WWTW	1,489	1,489	1,639	9%	22,903
					T 3.2.9

The municipality has been experiencing sewage spillages within its towns due to aged infrastructure and inappropriate usage of system by community. Major spillages have also been experienced in some part of Zastron (Refengkhotsa), where upon a sewage investigation program which includes CCTV 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).

In the 2016/2017 financial year, the municipality did not have any aerial lighting projects.

Electricity Service Delivery Levels					Households
Description	Year-3	Year-2	Year-1	Year 0	
	ActualNo.	ActualNo.	ActualNo.	ActualNo.	
<b>Energy: (above minimum level)</b>				10793	
Electricity (at least min. service level)	8667	8867	9681	0	
Electricity - prepaid (min. service level)	8667	8667	9681	0	
<i>Minimum Service Level and Above sub-total</i>	1926	1926	1112	0	
<i>Minimum Service Level and Above Percentage</i>	17,844%	17,884%	10,31%	0	
<b>Energy: (below minimum level)</b>					
Electricity (< min. service level)	1926	1926	1112	0	
Electricity - prepaid (< min. service level)					
Other energy sources					
<i>Below Minimum Service Level sub-total</i>	1926	1926	1112	0	
<i>Below Minimum Service Level Percentage</i>	17,844%	17,884%	10,31%	0	
<b>Total number of households</b>	10793	10793	10793	10793	

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

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 2016-17: Electricity Services					
					R'000
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	31,090	47,272	47,272	41,353	-14%
Expenditure:					
Employees	414	486	422	444	-9%
Repairs and Maintenance	952	1,305	1,305	2,290	43%
Other	52,680	31,166	31,167	49,589	37%
<b>Total Operational Expenditure</b>	54,046	32,957	32,894	52,323	37%
<b>Net Operational Expenditure</b>	22,956	-14,315	-14,378	10,970	230%
					T 3.3.7

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	Households			
	Year-3	Year-2	Year-1	Year0
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid Waste Removal: (Minimum level)</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>Solid Waste Removal: (Below minimum level)</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>
				T 3.4.2

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	22	34	22	12	35,3%
4 -6	5	9	5	4	44,4%
7 -9	0	1	0	1	100%
10 -12	7	7	7	0	0%
13 -15	1	1	1	0	0%
16 -18					
19 -20	0	1	0	1	100%
Total	35	53	35	18	33,96%

Financial Performance 2016-17: Solid Waste Management Services					
					R'000
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	5,484	10,145	10,145	10,180	0%
Expenditure:					
Employees	4,301	4,777	4,625	4,601	-4%
Repairs and Maintenance	3	1	1	-	0%
Other	546	8,980	8,781	693	-1196%
<b>Total Operational Expenditure</b>	4,850	13,758	13,407	5,294	-160%
<b>Net Operational Expenditure</b>	-634	3,613	3,262	-4,886	174%
					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. All of the above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. From the beginning of this Council term, the Municipality had allocation required and segmented as per the below table, Towns allocations and the project progresses per the Contractor in each Town.

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date
Zastron	2015 to 2017	200	BOMAC CC. Ithuteng Consulting	Provincial CoGTA	In progress
TOTAL ALLOCATION					

Another project in progress is the construction of two roomed houses, which is a project from the Provincial Human Settlement and is monitored by the Province. The Municipality only gets involved when there are complaints from the community about the delays of the completion of the project and then the municipality liaise with the Province and contractors on site.

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	10793	10276	100%

Financial Performance 2016-17: Housing Services					
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	902	961	963	879	-9%
Expenditure:					
Employees	813	952	902	715	-33%
Repairs and Maintenance	-	-	-	-	0%
Other	2	6	42	18	67%
<b>Total Operational Expenditure</b>	815	958	944	733	-31%
<b>Net Operational Expenditure</b>	-87	-3	-19	-146	98%
					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	

### 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	%	
2014-15	2,054	2,054	2,054	100%	2,054	100%	2,054	100%	2,054	100%	
2015-16	2,079	2,079	2,079	100%	2,079	100%	2,079	100%	2,079	100%	
2016-17	840	840	840	100%	840	100%	840	100%	840	100%	
										T 3.6.3	

Financial Performance 2016-17: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2015-16	2016-17			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	1,377	1,794	1,794	485	-270%
Waste Water (Sanitation)	1,874	2,499	2,499	930	-169%
Electricity	628	1,481	1,481	225	-558%
Rates and Levies	54	633	633	32	-1878%
Waste Management (Solid Waste)	1,408	1,428	1,428	696	-105%
Total	5,341	7,835	7,835	2,368	-231%
					T 3.6.4

## 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
Year0	60	-	0		120
Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
Year-2	21	-	-	21	18
Year-1	21	-	-	21	21
Year0	21	-	-	8	14
					T 3.7.3

Road; Storm Water					
Job Level	Year-1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts) %
0 – 3	11	15	11	4	26,7 %
4 – 6	1	7	1	6	85,7%
7 – 9					
10 – 12	1	4	1	3	75%
13 – 15					
16 – 18					
19 – 20					
Total	13	25	13	12	48%

Financial Performance 2016-17: Road and Transport					
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	120	32,261	32,261	19,215	-68%
Expenditure:					
Employees	125	2,926	3,251	2,995	2%
Repairs and Maintenance	25	-	100	134	100%
Other	45	7,045	8,047	480	-1368%
<b>Total Operational Expenditure</b>	195	9,971	11,398	3,609	-176%
<b>Net Operational Expenditure</b>	75	-22,290	-20,863	-15,606	-43%
					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; and
- Upgrading of 3 km paved access road in Mofulatshepe/Smithfield – is complete and the municipality increased the scope of work to 5,6 km of which the 2.6 km is still in 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 being 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 being 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 Upgraded	Storm water measures maintained
Year -2	145	0	0	22
Year -1	160	0.4	0	30
Year 0	166	1.3	0	26.76

Cost of Construction/Maintenance			
R' 000			
	Storm water Measures		
	New	Upgraded	Maintained
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**

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

#### **MAIN ELEMENTS OF PLANNING STRATEGY**

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes. For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

#### **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

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

The Mohokare Municipality is earmarked for a Farmer Production Support Unit as part of the DRLR (Department of Rural Development and Land Reform's Agri Park project - an initiative through the National Development Plan. A site (Erf 4195) was earmarked at Zastron and has been fenced in the April 2017.

In June 2017 the Mohokare Council approved a recommendation for the creation of two nature reserves and a protected area.

- The Game camp at Smithfield on the N6 opposite the Golf Course as a nature reserve
- The Asvoelberg mountain which is the only breeding ground in the Free State for the Cape Vulture as a nature reserve and
- The surrounding land at Asvoelberg in conjunction private land owners as a protected area.

<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 – supportive legislation</p> <p>Good working relations with Senior Management Team</p>	<p>Lack of understanding of spatial planning and land use management by local communities</p> <p>No GIS</p> <p>Turn-around time for town planning processes to run its course</p> <p>MPT (Municipal Planning Tribunal) problematic in small municipalities</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

Fencing of Erf 4195 Zastron for development of a Farmer Production Support Unit (26/04/2017)

Identification of land for LED projects

**ZONING AND REZONING, CONSOLIDATION, SUBDIVISION**

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
ERF 73 ZASTRON	R.Mdalana	Rezoning	Approved
Erf 1/55 Zastron	Motheo College	Rezoning	Awaiting Municipal tribunal sitting
Erf 704 Zastron	Assemblies of God Movement	Rezoning	Awaiting Municipal tribunal sitting
Erf 869 Somido Park	V.K Duda	Consent Use	Awaiting Municipal tribunal sitting

**LIQUOR LICENSE APPLICATIONS****10 applications**

ERF	TOWN	NAME OF PREPOSED OUTLET	APPROVAL/NOT
140	Matlakeng	Lwando's lounge	Outcome unknown
797	Somido Park	Khatelopele pub	
1072	Roleleathunya	Lagos inn	
3432	Matlakeng	Ditau tavern	
403	Roleleathunya	Le joint tavern	
317	Zastron	Put stop	Application Cancelled by applicant
42	Zastron	Cassalis bottle store	Approved
	Smithfield district	Letsatsi game lodge	Approved
686	Matlakeng	Oudehuis tavern	Approved
	Goedemoed	Goedemoed Prison Pub	Approved

The Mohokare municipality experiences problems with the Free State Liquor board's decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem will be addressed through the Free State SPLUM Forum.

**BUILDING PLAN REGISTER 2016/17**

DATE	Invoice	SURNAME	ERF NR	TOWN	NEW PLAN	Extension	Approved	Not approved	Comments
11/07/16	19010261 R200	Mr. Ncembu	94	Matlakeng		x	x		
01/09/16	19010953 R477	Mr. Nyamataki	241	Zastron	x				
18/07/16	EFT	OVK	2/48	Zastron	X new tanks		x		
18/07/16	13014281 R200	Thandi	70	Zastron		X flats		x	Needs to rezone to erect flats
30/09/16	EFT	J. Kraay	30	Smithfield				X	Consolidation of erven needed
04/10/16	19011338 R477	K. Mothibela	1072	Roleleathu nya	x		x		
11/10/16	19011528 R477	G. Solomon	68	Zastron	x		x		
19/10/16	13014766 R477	L.P. Moleleki	1099	Roleleathu nya				x	Entrance not indicated No hatching Roof pitch not indicated
04/10/16	19009933	Me. Hlalele	N26	Roleleathu nya	x			x	No firewall between house and garage
06/10/2016	Not paid	Mr. Khalimane	1354	Greenfield s		x		x	Not according to National Building Regulations and Building Standards Act no 103 of 1977
14/11/16	13015097	NA.A Mankayi	1688	Matlakeng		x	x		

DATE	Invoice	SURNAME	ERF NR	TOWN	NEW PLAN	Extension	Approved	Not approved	Comments
8/11/2016	EFT	J. Malan	90	Smithfield		x	x		
12/12/16	EFT	G.J. Marais	720	Zastron		x	x		
24/03/2017	001252	MR. NDODA	10	Zastron		X		X	Single residential use (TPS) Awaits ownership verification and servitude line adherence explained
01/06/2017	EFT Payment	MRS. N. BHAYI	92	Smithfield	X		X		
25/06/2017	00002522	S.D. SMITH	25	Rouxville	X		X		

## 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.

Problems are currently experienced throughout the Free State in terms of the Municipal Planning Tribunals but municipalities are being assisted by COGTA.

### Spatial Development Framework and Land Use Scheme development

Meetings were held with Spatial Planning COGTA as well as MISA 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. Make use of the Chief Surveyor General's data and diagrams for encroachment complaints
4. Verification of ownership through the Deeds Office

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		3		0	16
Determination made in year of receipt	0		0		0	16
Determination made in following year	0		1		0	0
Applications withdrawn	0		0		0	0
Applications outstanding at year end	0		2		0	0
						T 3.10.2

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

<b>Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED</b>					
<b>Details</b>	<b>2014-15</b>	<b>2015-16</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	-1,688	975,801	988,265	410,816	-138%
<b>Expenditure:</b>					
<b>Employees</b>	1,665,453	2,270,747	3,690,779	947,587	-140%
<b>Repairs and Maintenance</b>	0	0	0	0	0%
<b>Other</b>	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, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

#### **LED Strategy**

Mohokare LED Strategy has been reviewed and adopted by council for 2017/2018 financial year in June 2017. Be it noted that Mohokare is still the only municipality so far that has done the review process on a zero based budget.

#### **Tourism**

Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism.

#### **High impact projects**

In 2016 the LED Unit made a presentation on catalyst projects to DESTEA. Be it noted that municipality does not budget for LED projects due to financial constraints but through its LED Unit strives to lobby funding and necessary support for local cooperatives to implement their proposed projects: The following are still regarded as catalyst projects that can bring huge economic spin offs, create employment opportunities and alleviate poverty in our communities:

- Sand stone mining
- Meat processing
- Quarry
- Charcoal production
- Textile factory
- Solar plant
- Lime stone mining
- Milk processing
- Fuel station
- Recycling

### **Poverty alleviation support**

For the current financial year COGTA has been able to create 1000 jobs through its Community Work Program. The department of Public Works has also created around 78 jobs through its EPWP initiative. The municipality through Technical Services projects has created 83 jobs.

### **Funded projects in the current financial year**

- Graphic Design Project in Rouxville: R450 000: Funded by Department of Rural Development and Land Reform;
- Sand Stone Mining in Zastron: Funded by Department of Rural Development and Land Reform; and
- R4.9 Million (R500 000 has already been approved for EIA study and compilation of Business Plan)

### **Employment research**

Be it noted that municipality is faced with a serious challenge of high unemployment rate. Research indicates that 80% of the entire population in the municipality is registered as indigents. This extremely high percentage of grant dependence makes it difficult for business to come and invest in the area. As a result of this challenge the LED Unit conducted its own research on alternative means of job creation and the following areas were identified:

- Cooperatives program
- Agro-processing
- Tourism
- Commercialization of Magaleen border post
- Small scale mining
- Small Towns Regeneration program
- Commercial Land Audit

### **COOPERATIVES PROGRAM**

This program has been identified as a possible solution in addressing unemployment. There are more than twenty registered cooperatives existing in Mohokare. Most of them are depending on grant funding as opposed to loan funding. Cooperatives which secured funding in the past and are still funded are aquaculture, vegetable farming, bakery, and dairy. For 2017/2018 financial year two more cooperatives have been funded for Graphic Designing as well as Sand Stone Mining.

## **AGRO-PROCESSING**

Mohokare local municipality has been identified as an agrarian area that pride itself with cattle and sheep farming. Though this case may be local people do not benefit from agricultural opportunities that are there. For example, meat, cow skin and wool is taken elsewhere for processing instead of being processed locally and create employment for local residents. This matter has been discussed at length with the Rouxville Development Agency as well as local farmers and possible investors.

## **TOURISM**

Mohokare Local Municipality's geographic position presents vast opportunities particularly in areas of tourism. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. LED Unit has already made a proposal to Council on securing a private investor to develop tourism infrastructure along the Caravan Park and chalets in Zastron.

## **COMMERCIALISATION OF MAGALEEN BORDER POST**

Magaleen border post is shared between the town of Zastron in the Free State and the mountain Kingdom town of Mohakeshoek. The commercialization of this border post has a potential of unleashing huge economic benefits through tourism and trade for both towns. This subject has been presented as part of Small Towns Regeneration Program for the town of Zastron.

## **SMALL SCALE MINING**

The Department of Rural Development and Land Reform has approved a budget to the tune of R4.9 million for a sand stone mining in Zastron. The funding will be availed in phases and for the current financial year a budget of R500 000 will be made available for purpose of compiling EIA report and the developing of a business plan.

## **SMALL TOWNS REGENERATION PROGRAM**

The Small Towns Regeneration Program is a project initiated by SALGA national and is intended to bring much needed economic vibrancy in small towns. This project was first successfully piloted in the Eastern Cape and is now rolled out in the Free State in Xhariep District. A STR Steering Committee has been established for the program and the town of Zastron has been selected as beneficiary for piloting the project. The LED Unit in consultation with relevant stakeholders has compiled a list of projects for the regeneration of the town and submitted them to MISA to assist with compilation of business plans. On 10 and 11 July 2017 the LED practitioner together with the chairperson of LED committee and Planning attended a STR conference in DE Aar for the Karoo Region where the mandate to resuscitate the program was renewed.

## SALE OF COMMERCIAL LAND

Mohokare municipality has strategic pockets of commercial land in all the three towns. In 2016 the LED Unit submitted a proposal that all this commercial land be identified and be put on sale with strict conditions for development to potential buyers. In 2017 council approved the proposal and LED Committee on Planning and LED invited potential investors to come and make presentations with a view of releasing land for economic development on lease or outright purchase basis.

### Conclusion

Be it noted that municipality does not budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on contractual basis. The LED Unit has taken a resolution not to fill the post of LED officer but to advertise and appoint a project implementing agent whose main task shall amongst others compile business plans for specific projects, lobby funding an implement such projects. The agent will then be reimbursed on the basis of achievement of set targets and objectives.

<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	11	None	None	Reports
Year -1	114	None	None	Reports
Year 0	83	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	3	78
Year -1	3	78
Year 0	3	78
*- Extended Public Works Programme		T

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.		%
0-3					
4-6					
7-9					
10-12	0	1	0	0	0%
13-15	1	1	1	1	100%
16-18					
19-20					
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50%</b>

Financial Performance 2016-17 : Planning Services (Includes Town Planning, IDP and LED)					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	470	988	988	918	-8%
Expenditure:					
Employees	3,473	3,691	3,756	3,782	2%
Repairs and Maintenance	-	-	-	-	0%
Other	88	767	665	171	-349%
<b>Total Operational Expenditure</b>	<b>3,561</b>	<b>4,458</b>	<b>4,421</b>	<b>3,953</b>	<b>-13%</b>
<b>Net Operational Expenditure</b>	<b>3,091</b>	<b>3,470</b>	<b>3,433</b>	<b>3,035</b>	<b>-14%</b>
					<i>T 3.10.5</i>

## **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.

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

<b>Financial Performance 2016-17: Libraries</b>					
<b>Details</b>	<b>R'000</b>				
	<b>2015-16</b>	<b>2016-17</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	236	498	498	462	-8%
Expenditure:					
Employees	611	631	684	673	6%
Repairs and Maintenance	-	-	-	-	0%
Other	1	64	64	-	0%
<b>Total Operational Expenditure</b>	<b>612</b>	<b>695</b>	<b>748</b>	<b>673</b>	<b>-3%</b>
<b>Net Operational Expenditure</b>	<b>376</b>	<b>197</b>	<b>250</b>	<b>211</b>	<b>7%</b>
					<i>T 3.12.5</i>

There have 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.

To date, reported and attended departmental monthly reports through Management meetings revealed the below statistics against the cemeteries as crematoriums are not or have been erected by the Municipality and the intention is to improve it during the next submission.

Name of Town	Number allocated
Smithfield / Mofulatshepe	21
Rouxville / Roleleathunya	27
Zastron / Matlakeng	59

The municipality through the technical services department awarded 4 tenders in June 2017 for fencing of cemeteries in the three towns 1 Smithfield, 1 Rouxville and 2 Zastron.

Financial Performance 2016-17: Cemeteries						R'000
Details	2015-16	2016-17				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	49	64	64	53	-21%	
Expenditure:						
Employees	0	0	0	0	0%	
Repairs and Maintenance	30	0	0	0	0%	
Other	0	0	0	0	0%	
<b>Total Operational Expenditure</b>	30	0	0	0	0%	
<b>Net Operational Expenditure</b>	-19	-64	-64	-53	-21%	
					T 3.13.5	

### COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The municipality has in June 2017 awarded tenders to fence the cemeteries in the three towns of Mohokare (Smithfield, Rouxville and Zastron) and the projects are estimated to be completed by end of September 2017.

### **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 operational.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.15 ENVIRONMENTAL HEALTH MANAGEMENT**

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**

### **3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION**

This component includes: clinics, ambulances and health inspection and it is not the core-function of the municipality

## **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 have 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;

<b>Service delivery priorities</b>	<b>Improved performance measures</b>	<b>Major efficiencies achieved</b>
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 No.	Actual No.	Estimate No.
1 Number of road traffic accidents during the year	58	0	73	0
2 Number of by-law infringements attended	0	0	0	0
3 Number of traffic officers in the field on an average day	7	7	4	0
4 Number of traffic officers on duty on an average day	7	7	4	0

The municipality has a total number of six (6) traffic officers (2 permanents and 4 interns) on the ground fully operating on daily basis to or on identified area of work as per their work schedule or programs. In January 2016 the Chief Traffic Officer retired.

Financial Performance 2016-17: Traffic & Police					
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	16,506	5,266	5,266	22,272	76%
Expenditure:					
Police Officers					
Other employees	1,082	1,228	990	902	-36%
Repairs and Maintenance	5	120	120	-	0%
Other	153	203	203	97	-109%
<b>Total Operational Expenditure</b>	1,240	1,551	1,313	999	-55%
<b>Net Operational Expenditure</b>	-15,266	-3,715	-3,953	-21,273	83%
					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 No.	Estimate No.	Actual No.	Estimate No.
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 2016-17: Fire Services						R'000
Details	2015-16	2016-17				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	28	65	65	61	-7%	
Expenditure:						
Fire fighters						
Other 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>	-28	-65	-65	-61	-7%	
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 being 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**

Sports 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 goal in this current financial year, attention was brought or given in the below areas; Upgrading of Mofulatshepe Sports ground, maintenance of existing sports grounds.

Through MIG (Municipal Infrastructure Grant), more than five (5) households reaped rewards 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. This was the only Municipal key performance area in ascertain development and or improvement around sports and its facilities.

### **SERVICE STATISTICS FOR 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.

### 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					
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

Financial Performance 2016-17: Sport and Recreation					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	16,453	1,154	1,154	1,995	42%
Expenditure:					
Employees	363	424	377	390	-9%
Repairs and Maintenance	134	-	-	-	0%
Other	23	139	197	73	-90%
<b>Total Operational Expenditure</b>	<b>520</b>	<b>563</b>	<b>574</b>	<b>463</b>	<b>-22%</b>
<b>Net Operational Expenditure</b>	<b>-15,933</b>	<b>-591</b>	<b>-580</b>	<b>-1,532</b>	<b>61%</b>
					<i>T 3.23.4</i>

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	16	20	16	4	20%
16 - 18					
19 - 20					
<b>Total</b>	<b>16</b>		<b>16</b>	<b>4</b>	<b>20%</b>

Financial Performance 2016-17: Municipal Manager					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	302	756	756	705	-7%
Expenditure:					
Employees	1,106	1,328	1,223	790	-68%
Repairs and Maintenance	-	-	-	-	0%
Other	685	170	190	314	46%
<b>Total Operational Expenditure</b>	<b>1,791</b>	<b>1,498</b>	<b>1,413</b>	<b>1,104</b>	<b>-36%</b>
<b>Net Operational Expenditure</b>	<b>1,489</b>	<b>742</b>	<b>657</b>	<b>399</b>	<b>-86%</b>
					<i>T 3.24.5</i>

### 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 has been achieved in spite of severe financial constraints.

The major constraints being:

Poor cash-flow:

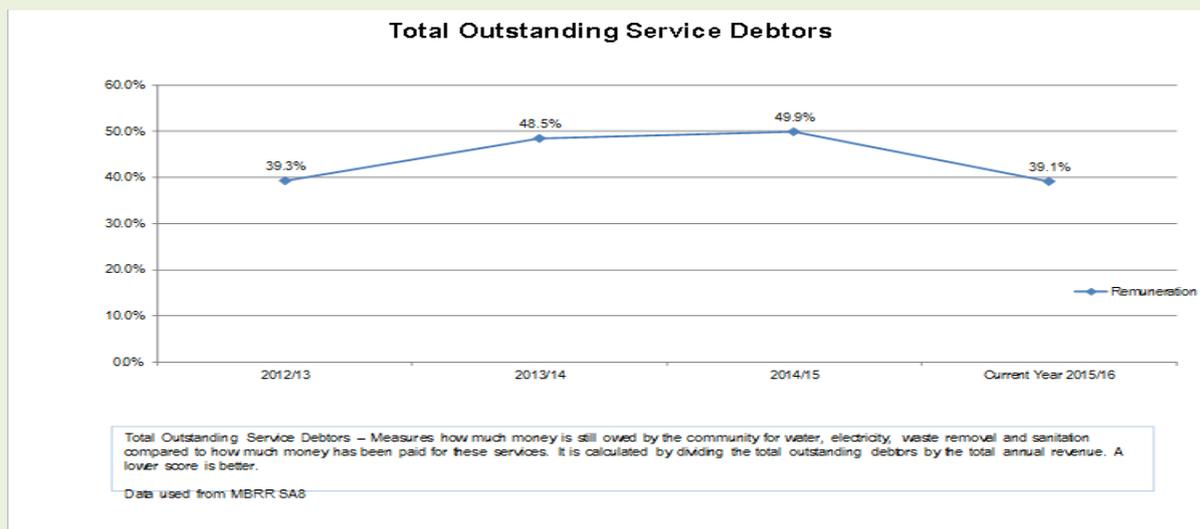
- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

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			
	Employees	Posts	Employees	Vacancies (fulltime)	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%
<b>Total</b>	<b>35</b>	<b>46</b>	<b>35</b>	<b>11</b>	<b>41%</b>

Financial Performance 2016-17: Financial Services					
					R'000
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	50,942	35,916	36,316	24,821	-45%
Expenditure:					
Employees	7,672	7,228	8,871	9,596	25%
Repairs and Maintenance	-	-	-	248	100%
Other	55,623	19,023	21,206	83,987	77%
<b>Total Operational Expenditure</b>	63,295	26,251	30,077	93,831	72%
<b>Net Operational Expenditure</b>	12,353	-9,665	-6,239	69,010	114%
					T 3.25.5

### 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		
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of
	No.	No.	No.	No.	%
0 - 3					
4 - 6	0	2	0	2	100%
7 - 9					
10 - 12	3	4	3	1	25%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20					
<b>Total</b>	<b>4</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.86%</b>

Financial Performance 2016-17: Human Resource Services					
Details	R'000				
	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	600	855	855	796	-7%
Expenditure:					
Employees	1,420	1,574	1,655	1,556	-1%
Repairs and Maintenance	-	-	-	-	0%
Other	85	107	123	49	-118%
<b>Total Operational Expenditure</b>	<b>1,505</b>	<b>1,681</b>	<b>1,778</b>	<b>1,605</b>	<b>-5%</b>
<b>Net Operational Expenditure</b>	<b>905</b>	<b>826</b>	<b>923</b>	<b>809</b>	<b>-2%</b>
					<b>T 3.26.5</b>

### 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.

<b>Employees: ICT Services</b>					
Job Level	Year -1	Year			
	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	1	1	1	0	0%
16 - 18					
19 - 20					
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0%</b>

<b>Financial Performance 2016-17: Information Technology</b>					
					<b>R'000</b>
Details	2015-16	2016-17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	262	599	599	558	-7%
Expenditure:					
Employees	708	811	830	742	-9%
Repairs and Maintenance	13	-	1	-	0%
Other	275	831	830	730	-14%
<b>Total Operational Expenditure</b>	<b>996</b>	<b>1,642</b>	<b>1,661</b>	<b>1,472</b>	<b>-12%</b>
<b>Net Operational Expenditure</b>	<b>734</b>	<b>1,043</b>	<b>1,062</b>	<b>914</b>	<b>-14%</b>
					<i>T 3.27.5</i>

# **ANNUAL PERFORMANCE REPORT**

## **2016/2017**

## **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 2016 to 30 June 2017 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 2016/2017.

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

***This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2016/2017 APR is based on audited information.***

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 2015/2016**

<b>Directorate</b>	<b>Number of set target</b>	<b>Number of achieved targets</b>	<b>Number of not achieved</b>	<b>Percentage</b>
Office of the Municipal Manager	29	25	04	86%
Finance Department	10	9	1	90%
Corporate Services	8	7	1	87.5%
Community and Technical Services	24	14	10	58%
	<b>71</b>	<b>55</b>	<b>16</b>	<b>77%</b>

#### **SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2016/2017**

<b>Directorate</b>	<b>Number of set target</b>	<b>Number of achieved targets</b>	<b>Number of not achieved</b>	<b>Percentage</b>
Office of the Municipal Manager	44	23	2	52%
Finance Department	18	14	4	77%
Corporate Services	14	8	6	57%
Community Services	16	10	6	62.5%
Technical Services	27	12	15	44%
	<b>119</b>	<b>67</b>	<b>52</b>	<b>56%</b>

Mohokare Local Municipality served the community with distinction during the 2016/2017 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.

The 2016/2017 was the new term of the Council which started office in August 2016, this affected the performance of the First and Second quarter set targets as the main focus was on compliance, handover reports, training and induction of the new Council hence the 44% of the set targets were not met.

This progress report will be submitted to the Municipal Council during January 2018 together with the Mid-year Budget and Performance Assessment Report 2017/2018.

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.

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**S MOOROSI**

**ACTING MUNICIPAL MANAGER**

## 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 2017	2015/2016 LED Strategy	-	-	Submit the reviewed draft Strategy to Council by March 2017	Submit the final strategy by May 2017	Reviewed LED Strategy by June 2017	Target achieved	-	-	Council Resolution and copy of the adopted strategy	A1
	12 Business expos conducted to assist cooperatives and SMMEs per town	2 Business expos conducted	Conduct 1 business expo per town	Conduct 1 business expo per town	Conduct 1 business expo per town	Conduct 1 business expo per town	12 Business expos conducted to assist cooperatives and SMMEs per town	Not achieved 10 business expos conducted	Unavailability of local Cooperatives weather conditions	Invites to be send to Local Cooperatives in the next Financial year	Invites and attendanc e registers	A2
	Reviewed SMME support Policy by June 2017	SMME Policy 2014/2015 reviewed	-	-	Submit the develop ed draft Policy to Council by March 2017	Submit the develop ed final Policy to Council by May 2017	Reviewed SMMEs support Policy by June 2017	Target achieved	-	-	Council Resolution and copy of the Policy	A3
	Reviewed the Agricultural Strategy by June 2017	2015/2016 Strategy	-	-	Submit the reviewed strategy to Council	Submit the reviewed strategy to Council by May	Reviewed Agricultural Strategy by June 2017	Target achieved	-	-	Council resolution and copy of the strategy	A4

<b>KPA 5</b>	<b>Local economic development</b>											
<b>Strategic objective (SO2)</b>	<b>Local economic development</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 March 2017	2017						
<b>Good governance and public participation</b>	3 Identified risks mitigated quarterly June 2017	NEW KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	1 Identified risks mitigated June 2017	2 Identified risks mitigated June 2017	3 Identified risks mitigated by June 2017	Target not applicable				A5

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 2017	2015/2016 ICT Strategy	-	-	Submit the draft ICT Strategy to Council by March 2017	Submit the final ICT Strategy to Council by May 2017	Reviewed ICT Strategy by June 2017	Target achieved	-	-	Council Resolution and copy of Strategy	A5
	Reviewed ICT Policies June 2017	7 reviewed and adopted Policies 2015/16	-	-	Submit the 9 draft reviewed ICT Policies to Council by March 2017	Submit the 9 Final ICT Policies to Council by May 2017	9 reviewed ICT Strategies adopted by May 2016. 1.IT Security policy 2.IT Assets Control & Disposal Policy 3.Internet Usage Policy 4.Change management policy 5.Password policy 6.IT Backup Policy 7 Disaster Recovery policy 636 8 Network Policy	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	#REF
							9 Email Usage Policy					
	Review of the Disaster recovery and Business Continuity Plan by May 2017	New KPI	-	-	Submit draft Disaster Recovery and Business Continuity Plan to Council by March 2016	Submit the final Disaster Recovery and Business Plan to Council by May 2016	Reviewed Disaster Recovery and Business Continuity Plan for the 2016/17 financial year.	Target achieved	-	-	Council resolution and copy of the approved plan	A7
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	4 Identified risks, mitigated by June 2017	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	2 identified risk mitigated	2 identified risk mitigated	4 Identified risks, mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	A8
	Monitoring B2B Report	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	12 monthly Updated B2B reports	Target not applicable	-	-	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	

## 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 2017	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 2017	Target not achieved	Policy underwritten by SPLUMA only needs revision if the ACT changes	To be removed as Performance indicator	Council Resolution and copy of the policy	B1
	Reviewed Spatial Development Framework by June 2017	2015/2016 SDF	-	-	Submit the draft SDF to Council by March 2016	Submit the final SDF to Council by May 2016	Reviewed SDF by June 2017	Target not achieved	Assistance of MISA with data come after the submission date and was part of IDP as a chapter on its own	Changed date to submit a document at the IDP assessment session as to talk to municipal dates	Council Resolution and Copy of the Policy	B2
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring of risk related matters	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	3 identified risk mitigated	3 identified risk mitigated	3 Identified risks, mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	B3

**RISK MANAGEMENT**

<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>
<b>To evaluate the effectiveness of Risk management, control and governance processes and develop actions to address key risks identified</b>	Reviewed Enterprise Risk Management Policies (Risk Management Strategy and Framework, Fraud and Anticorruption Strategy, Risk Management Committee Charter	Reviewed Enterprise Risk Management Policies	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by July 2016	-	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by March 2017	Submission of 2016/2017 Policies to RMC & AC for approval & Council takes note by June 2017	Reviewed Enterprise Risk Management Policies	Target achieved	Policies were tabled in the RMC & AC meeting, still needs to go to council for approval	Minutes to be approved in the next RMC & AC meeting	Attendance register and minutes from RMC and AC Council resolution and copy of the adopted policies	C1
	Reviewed Risk Register by June 2017	2015/16 Risk Register	-	-	Assessment of Municipal Risk Appetite and Risk Tolerance by March 2017	Approval of Risk Register by RMC by June 2017	Approved Risk Register by RMC	Not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Approval of the register by RMC	Attendance register, Minutes, Acknowledgement of receipts and the approved risk register and report	C2

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 instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Identified and monitored top 10 high municipal risks by June 2017	New KPI	Strategic risks identified by August 2016	Top 5 high risks identified by October 2016	Top 10 high risks monitored	Top 10 high risks monitored	10 high municipal risks identified and monitored for each Department	Target achieved	-	-	Risk register and risk report	C3
	Monitoring of risk related matters	New KPI	Aggregate municipal summary of mitigated risks	Aggregate municipal summary of mitigated risks	Aggregate municipal summary on the 50% (49) identified and mitigated risks	Aggregate municipal summary on the 50% (49) identified and mitigated risks	Aggregate municipal summary of 98 identified and mitigated risks by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Aggregate summary report	C4
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring Back to Basics Report	New KPI	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	12 Monthly Updated B2B reports by June 2017	Target not applicable	-	-	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	C5
	Summary of AG action plans resolved and implemented.	New KPI	Departmental Summary of action plan queries	Departmental Summary of action plan queries	One(1) Audit finding resolved by March 2017	One (1) Audit finding resolved by June 2017	Resolve 1 audit finding to achieve clean audit on previous years queries	Target not applicable	-	-	Quarterly Action plan reports submitted	C6

**INTERNAL AUDITING**

<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>
<b>Maintaining and improving the Municipal Audit Opinion</b>	Review Internal Audit Charter and Manual for approval by March 2017	Adopted and reviewed 2014/2015 Internal Audit Plan	Review of Internal Charter and Manual by July 2016	-	Review of Internal Charter and Manual	-	Review Internal Audit Charter by March 2017	Target achieved	-	-	Approved Internal Audit Charter, and Manual Attendance register and minutes	D1
	Reviewed and approved Audit Committee Charter by March 2017	Adopted 2014/2015 Audit Plan	Submission of the reviewed Audit Committee Charter to Council for Approval	-	Submission of the reviewed Audit Committee Charter to Council for Approval	-	Reviewed and approved Audit Committee Charter by March 2017	Target achieved	-	-	Approved Audit Committee Charter	D2
	Develop and submit Internal Audit Coverage Plan by June 2017	2014/2015 Audit Action Plan	Approved Internal Audit Coverage Plan by August 2016	-	-	Approved Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan by June 2017	Target not achieved	Risk register has not yet been submitted to the Internal Audit office to prepare the Coverage Plan	The Coverage Plan will be prepared when the Risk Register has been submitted and subsequently presented to the Audit	Approved Internal Audit Coverage Plan, Attendance register & minutes.	D3

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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
										Committee for approval.		
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	3 risks mitigated and implemented against identified risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	-	1 identified risks mitigated	2 identified risks mitigated	3 identified risks mitigated in the Risk registers June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	D4
	Monitoring B2B Report	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	3 monthly updated B2B Diagnostic Report by March 2017	3 monthly updated B2B Diagnostic Report by June 2017	12 monthly updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	D5
	Conducting of ISO Audit report by March 2017	New KPI	Quarterly updated departmental register on ISO audit findings by Sept 2016	Quarterly updated departmental register on ISO audit findings by Dec 2016	Conducting of ISO Audit by March	-	Conducting of ISO Audit report by March 2017	Target not achieved	Internal Auditor not adequately capacitated to conduct ISO audits	Attend module (2) training on ISO	ISO Audit report	D6

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
	Summary of 62 AG action plans resolved and implemented	New KPI	Aggregate municipal Summary of action plan queries	Aggregate municipal Summary of action plan queries	Aggregate municipal Summary of 31 (50%) action plan queries	Aggregate municipal Summary of 31 (50%) action plan queries	Resolve 62 queries to achieve clean audit on previous years queries	Target not achieved	-	-	Quarterly Action plan reports submitted	D7

**HUMAN RESOURCE MANAGEMENT**

<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>
<b>Annual review and implementation of the Human Resource Development Strategy by June 2017</b>	Reviewed HRD Strategy by June 2017	Adopted 2015/2016 HRD Strategy	-	-	Submit draft 2017/2018 Strategy to Sec 79 and Council by March 2017	Final reviewed 2016/2017 HRD Strategy submitted to Council by May 2017	Reviewed HRD Strategy by June 2017	Target not achieved	HR Strategy: Delay of inputs from the Departments	To be reviewed in the next financial year, the last one adopted in February 2016 will be used	Council resolution and copy of adopted reviewed strategy	E1
	Implementation of the HRD Strategy	New KPI	-	-	6 Quarterly reports	6 Quarterly reports	12 Quarterly Recruitment and selection, leave management, benefits and claims, vacancy rate, wellness report and overtime report	Target achieved	-	-	Quarterly reports	E2
	100% filled vacant sec 57 posts	4 positions filled and 1 vacant	-	-	Advertising of Sec 54A	Appointment of Sec 54A and 56 by 30 June 2017	100% filled vacant sec 57 posts	Target not achieved	Financial constraints	To be advertised in the 1 <sup>st</sup> quarter of the new financial year 2017/2018	Advertisement Recruitment processes  Appointment letter  contracts	E3

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
	Vacant posts identified in the EE Plan filled	New KPI	-	Appointment of: One(1) Senior Finance Manager Five (5) Unskilled employees by December 2016	Five (5) Unskilled employees	Five (5) Unskilled employees	Appointment of: One(1) Senior Finance Manager Five (5) Unskilled employees by December 2016	Target not achieved  Only appointment of Senior Finance Manager	Financial Constraints	To be appointed in the new financial year second quarter	Appointment letters and Contracts	E4
	8 Human Resources Policy reviewed and approved by June 2017	8 Reviewed HR policies Councilor remuneration, leave policy, organizational design, relocation ,employment policy, overtime, staff retention, OHS Policy	-	-	Submit drafts (8) to Section 79 and Council by March 2017	Submit (8) reviewed HR Policies to Council by May 2017	8 Human Resources Policy reviewed and approved by June 2017	Target over achieved  10 HR policies approved	-	-	Council Resolution and electronic copies of HR Policies	E5
	Reviewed Organogram by June 2017 in line with the EE Plan	Reviewed Organogram by June 2016	-	-	Submit reviewed Organogram to Section 79 by March 2017	Submit reviewed Organogram to Council by May 2017	Reviewed Organogram	Target Achieved	The same Organisational structure was adopted because of the delay of inputs from departments	Reviewed to be adopted in July	Council resolution and electronic copy of the reviewed organogram	E6

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 instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Monitoring of risk related matters	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	1 Risk identified and mitigated	1 Risk identified and mitigated	2 Identified risks mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	E7
	Monitoring of Back to Basics Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Jan 2017	Quarterly updated B2B Diagnostic Report by Jun 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	E8

## 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
100% monitoring and evaluation of the municipality's Performance	2016/2017 Organisational performance management system reviewed by May 2017	Approved PMS policy Framework	-	-	Submit the draft 2017/2018 PMS Policy to Council by March 2017	Submit the draft 2016/2017 PMS Policy to Council by May 2017	Review PMS policy framework	Target achieved	-	-	Council resolution and electronic copy of the reviewed policy	F1
	Submission of the draft Annual report and the annual performance report for 2015/16 to the Auditor General by 31 August 2016	Annual report, annual performance report submitted on the 31 August 2015	Submit draft Annual report, annual performance report on 31st of August 2016	-	-	-	Submitted draft Annual report, annual performance report by 31st of August 2016	Target achieved	-	-	Acknowledgement of receipt	F2
	Developed 2017/2018 SDBIP by June 7	2016/2017 SDBIP	-	-	Draft 2017/2018 SDBIP submitted to Council by March 2017	Submit developed 2017/2018 SDBIP to Mayor WITHIN 28 days after the approval of the Budget	Developed 2017/2018 SDBIP by June 2017	Target achieved	-	-	Approved SDBIP	F3

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
	Developed Mid-year report submitted to Council by 25 January 2017	Mid-year report submitted to Council by 25 January 2017	-	-	Mid-year report developed and submitted to Council by 25 Jan '17	-	Developed and submitted Mid-year report	Target Achieved	-	-	Adopted Mid-year report	F4
<b>Ensuring 100% compliance to MFMA, MSA and Circular 63 &amp; 32</b>	Developed and adopted adjustment SDBIP and submitted to Council by 28 Feb 2017	Adjusted SDBIP and adopted by Council in Feb 2017	-	-	Developed and approved Adjusted SDBIP by Council by 28 Feb 2017	-	Developed and approved adjusted SDBIP	Target Achieved	-	-	Council resolution and electronic copy of AR & APR	F5
	Tabled AR and APR to Council by 25 January 2017	Annual report, annual performance Report tabled on the 29 January 2016	-	-	Table Annual Report and Annual Performance Report by the 25 January 2017	-	Tabled Annual Report and Annual Performance Report by the 25 January 2017	Target achieved	-	-	Council resolution and electronic copy of AR & APR	F6
	Review of 2016/17 Suppliers and Service Providers monitoring Policy by March 2017	New KPI	-	-	Review of 2016/17 Suppliers and Service Providers	-	Review of 2016/17 Suppliers and Service Providers monitoring	Target achieved	-	-	Adopted policy, and Council resolution	F7

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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
					monitoring Policy by March 2017		Policy by March 2017					
<b>To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality</b>	Identification and mitigation of risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	3 risks mitigated	3 risks mitigated	3 risks Identified and mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	F8
	Monitoring B2B Report quarterly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by Jan 2017	Quarterly updated B2B Diagnostic Report by Jun 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	F9
	# ISO audit findings resolved by June 2017	4 Updated ISO registers (POE) on resolved findings	Quarterly updated departmental register on ISO audit findings by Sept 2016	Quarterly updated departmental register on ISO audit findings	Conduct ISO Audit for the municipality	-	4 Updated ISO registers (POE) on resolved findings	Target not achieved	Internal Auditor not adequately capacitated to conduct ISO audits	Attend module (2) training on ISO	Proof of submission of the updated ISO Audit file to IDP Unit (Acknowledgment of receipt)	F10

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
				by Dec2016								
	Summary of 3 AG action plan queries resolved and implemented.	3 AG action plan queries resolved to achieve clean audit on previous years queries	Departmental summary of audit matters attended	Departmental summary of audit matters attended	Departmental summary of 1 audit matters attended	Departmental summary of 2 audit matters attended	3 AG action plan queries resolved to achieve clean audit on previous years queries	Target achieved	-	-	Quarterly reports submitted	F11

## 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	#REF
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 2017	Approved 2015/16 IDP	Approved IDP Process plan by August 2016	Establishment of Rep Forum	Submit draft IDP to Council by March 2017 for 2017/18 FY	Submit final IDP to Council for adoption by May 2017	Reviewed and approved IDP	Target achieved	-	-	Council resolution And electronic copy of the IDP.	G1
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Identified and mitigated risks	New KPI	Identification of risks submitted to risk officer by Sept 2016	Updated risk register report submitted to risk officer by Dec 2016	2 risks identified and mitigated	3 risks identified and mitigated	5 risks Identified and mitigated quarterly June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non - functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	G2
	Monitoring B2B Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec	Submit reports to National COGTA 10 days after the end of the	Submit reports to National COGTA 10 days after the end of the month	12 monthly Updated B2B reports submitted to National and Provincial COGTA	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission to National and Provincial COGTA	G3

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	month						(Acknowledgment of receipt)	
	1 AG findings resolved to achieve clean audit on previous years queries	New KPI	Departmental summary of audit matters attended	Departmental summary of audit matters attended	1 AG findings resolved	-	1 AG findings resolved to achieve clean audit on previous years queries	Target achieved	-	-	Quarterly reports submitted	G4

## TECHNICAL SERVICES

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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 2016/2017	To execute work amounting to R35 million on RBIG (Regional Bulk Infrastructure Grant) by 31 March 2017 (100% expenditure)	92% expenditure	44 % work executed	72 % work executed	100 % work executed	-	100% expenditure	Target not achieved 50.21% expenditure	Termination of a consultation due to incompetency. This termination resulted in delay of execution of work on site	A new consultant has been appointed	Invoices from service providers	H1
	To execute work amounting to R30 million on MWIG (Municipal Water Infrastructure Grant) by 30 June 2017	27% expenditure	30 % work executed	44 % work executed	55 % work executed	100% work executed	100% expenditure	Target not achieved 40.87% expenditure	Late appointment of service providers for the project implemented under the water services infrastructure grant	The mechanical and Electrical contractor has been appointed	Invoices from service providers Payment certificates	H2
	To execute work amounting to R28 million 100% expenditure of Municipal Infrastructure Grant by 30 June 2017	100 % expenditure	30 % expenditure	44 % expenditure	55 % expenditure	100% expenditure	100% expenditure by June 2017	Target not achieved 58% expenditure	Slow internal procurement processes on cemetery projects. Implementation started 3 months later than initially scheduled	Service provider for the cemetery projects have been appointed	Invoices from service providers	H3
Provision of basic services (sanitation)	Upgrading of the Zastron Waste Water Treatment works by 26 May 2017	70% progress on construction	100 % completion of the works	-	Completion of civil works	Completion of the project	Completion of the Zastron Waste Water Treatment works by 26 May 2017	Target not achieved	The civil contractor had not completed the following components by 1	The work was Fastracked and completed on	Extension of time letter & Completion certificate	H4

KPA 1												
Basic Services and infrastructure development												
Strategic objective (SO1)												
Deliver sustainable services that are on or above RDP level												
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
									June 2017 hence delaying the completion of the project by 30 June 2017: o Installation of the Clarifier electrical cable sleeve, even though the sleeve is on site o Grouting up of the RAS sluice gate o Grouting up of the WAS and RAW recycle pump bases o Raising the elevation of the supernatant pump station floor o Cleaning the Reactor of equipment and construction rubble	11 August 2017.		
<b>Provision of access roads to previously disadvantaged areas by June 2017</b>	Construction of the Smithfield 5 km Access paved road	5% progress on construction	25% progress on construction	50% progress on construction	75% progress on construction	100% Completion of the access road	Completion of the access road by 23 June 2017	Target not achieved  76.1% actual achievement	-	-	Quarterly Progress reports Completion certificate	H5
<b>To provide dignified cemeteries</b>	Upgrading of the cemeteries in Zastron by June 2017	NEW KPI	Designs and layout plans	-	Advertise and appoint a service provider	25% progress on project	25% progress on the project by June 2017	Target achieved	-	-	Designs and layout plans Advert and appointment letter	H6

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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
											progress report	
To provide dignified cemeteries	Upgrading of the cemeteries in Rouxville by June 2017	NEW KPI	-	Designs and layout plans	Advertise and appoint a service provider	25% progress on project	25% progress on the project by June 2017	Target achieved	-	-	Designs and layout plans Advert and appointment letter Progress report	H7
	Construction of the two pump station in Zastron by June 2017	Completed 15km pipeline	Completion of civil works and Appointment of mechanical and electrical service provider	Designs and layout plans	Advertise and appoint a service provider	25% progress on project	Site establishment of electrical and mechanical contractor by June 2017	Target not achieved	Late appointment of the contractor due to slow procurement processes.	Contractor appointed on 23 June 2017 and site establishment done on 22 August 2017.	Contractor appointment letter & Minutes of site hand over meeting	H8
To provide basic services to community (water)	Construction of the 27 km raw water pipeline in Rouxville by June 2017	25km of pipeline completed	Completion of civil works and Appointment of mechanical and electrical service provider	10% progress in installation of mechanical and electrical components	Re-advertise the project	Site establishment	Practical completion on contract no. SCM/MOH/10/2015	Target not achieved 73% completed due to Termination of a consultant due to incompetency	Termination of a consultant due to incompetency. This termination resulted in delay of execution of work on site	Anew consultant has been appointed	Completion certificate Appointment letter	H9
Provision of basic services to community	Upgrading of the Water Treatment works in Zastron by June 2017	Service provider appointed	10% progress on project-	40% progress on project -	40% progress on project by	70% progress on the project	70% progress on the works by June 2017	Target not achieved 22.33% actual	The Contractor went off site after court order stating that the Company	Contract between the contractor to be terminated and new	Progress report	H10

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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
			Earth works	Concrete works	putting contract on terms			achievement	was under liquidation.	contractor be appointed		
<b>Provision of sustainable portable water in all 3 Towns by June 2017</b>	Development and approval of WSDP	Draft WSDP	-	Submit the final WSDP to Council by Dec 2016	-	Submit the final WSDP to Council	Final WSDP approved by Council by June 2017	Target achieved	-	-	Council Resolution and Approved WSDP	H11
<b>Provision of access roads to previously disadvantaged areas by 30 June 2017</b>	Developed Road management plan by May 2017	Draft plan	-	-	Draft Road Management plan submitted to Council by March 2017	Final Road Management plan submitted to Council by May 2017	To develop a road management plan by May 2017	Target not achieved	Awaiting inputs from Dept. Roads and transport	Final draft will be submitted to Council after inputs from the Dept. are received	Council resolutions Road management plan copy	H12
<b>Provision of Aerial lighting and electrification</b>	Provision of Aerial lighting and electrification of household by 30 June 2017	New KPI	1 report	1 report	1 report	1 report	Provide quarterly report on the status of the aerial lighting to Council	Target not achieved 22.33% progress on site	Centlec was on strike as it fall under Metro	No corrective measures were taken.	Quarterly reports	H13
Provide dignified sanitation	Eradication of 48 buckets in Rouxville by June 2017	Site establishment	-	-	20 buckets eradicated	28 buckets eradicated	Eradication of 48 buckets in Rouxville by June 2017	Target not achieved 48 Buckets are eradicated but the contractor has not	Contractor did not complete the earthworks at the construction sites	No corrective measures were taken.	Progress report	H14

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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
								completed earthworks				
Provide clean and portable drinking water	All occupied households with tap in yard	All households have tap in yard.	-	-	All applications for new water connections to be addressed as per the register book	All applications for new water connections to be addressed as per the register book	All occupied households with tap in yard	Target achieved	-	-	List of households and the register	H15
Provision of trafficable roads	Length of access road constructed or maintained		-	-	1km	1km	2 km Road constructed or maintained in Smithfield	Target achieved	-	-	Progress report from the Engineer	H16
Refuse removal	Frequency of removal of household refuse	No proper records on collection of refuse	10 793 HH refuse to be removed once a week	10 793 HH refuse to be removed once a week	Household refuse to be removed once a week	10 793 HH refuse to be removed once a week	Household refuse to be removed once a week	Target achieved	-		Signed report from Unit Managers	H17
Electricity	Number of new connections	No proper record on connection of electricity	-	-	All qualifying applicants on the register to be connected	All qualifying applicants on the register to be connected	Connection of electricity to all qualifying applicants	Target not achieved	Centlec was on strike as it falls under Metro Municipality (Mangaung)	No corrective measures were taken.	List of connected household and the register	H18

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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 clean and portable drinking water	Water resources management and Risk management	Dam safety report of Rouxville , Smithfield and Zastron	-	-	Preparation of advert and appointment of the services provider	100% implementation of dam safety reports	Implementation of dam safety Recommendations as per dams safety reports	Target not achieved	Due to financial constraints	Will be implemented in the new financial year	Report from services provider	H19
Provide clean and portable drinking water	Quantity of purified water versus daily demand	Inflow and outflow meters	246,375,102,2 Purified water for Zastron ,Smithfield	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	246,375,102,2 and 118,625 Purified water for Zastron ,Smithfield respectively	1635 ML of purified water	Target Over Achieved 1668.03ML	-	-	Water mass balance report and water meters readings	H20
Provide clean and portable drinking water	Drinking water quality Management	Monthly water quality tests results	100% of clean ware compliance and data submission at blue drop system	100% of clean ware compliance and data submission at blue drop system	100% of clean ware compliance and data submission at blue drop system	100% of clean ware compliance and data submission at blue drop system	100% compliance of physical , chemical and biological water quality	Target not achieved	No water quality results but samples were submitted and results held due to the account status not paid, refer to the attached list of dates of water & waste water samples submission to the laboratory-	No corrective measures were taken.	Records of water quality results and proof of data submitted on BDS	H21
Provide clean and portable drinking water	No drop compliance	Inflow and outflow meters	Less than 10% reduction of water loss at	Less than 10% reduction of	Less than 10% reduction of water loss at	Less than 10% reduction of water	10% reduction of water loss to entire systems	Target not Achieved	-	-	Reports and water Nass respire	H22

KPA 1	Basic Services and infrastructure development											
Strategic objective (SO1)	Deliver sustainable services that are on or above RDP level											
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
			watertreatment plant	water loss at water treatment plant	water treatment plant	loss at water treatment plant						
Provide dignified sanitation	Wastewater Quality Risk Management	Wastewater risk abatement per supply system	Review of risk abatement plans	Sign off acceptance of the RAP	50 % implementation of risk matrix reduction	50 % implementation of risk matrix reduction	100% implementation waste water risk abatement plans	Target not Achieved	-	-	RAP registers per supply system and reports	H23
Provide dignified sanitation	Effluent Wastewater Quality	Two samples per month against waste water quality standards	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Two(2) set of samples submitted laboratory and data to be loaded on GDS	Submission of 24 wastewater effluent samples	Target over achieved 28 samples submitted	-	-	Evidence from GDS system and	H24

## CORPORATE SERVICES

KPA 2	Public Participation											
Strategic objective (SO6)	Participate 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 instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Coordination of ordinary council meetings	4 distributed notices and agenda for 4 ordinary meetings	Distribution of 1 notice and agenda by Aug 16	Distribution of 1 notice and agenda by Nov 16	Distribution of 1 notice and agenda by Feb 17	Distribution of 1 notice and agenda by May 17	4 Ordinary Council meeting	Target achieved	-	-	Copy of notices and agendas distributed and acknowledgement of receipts	J1
	Coordination of LLF meetings	12 LLF notices and agenda distributed	Distribution of 3 notices and agendas	12 LLF notices and agenda distributed	Target not achieved  6 notices and agendas were distributed	Council removed the quarter one forum meetings as they were unable to take place due to local government elections and election of the new council	-	Copy of notices and agendas distributed and acknowledgement of receipts	J2			
	Reviewed and adopted Employment Equity Policy by June 2017	15/16 EE Policy	-	-	-	Submit final policy to Council for adoption by June 2017	Reviewed and adopted EE Policy	Target achieved	-	-	Council resolution and adopted policy	J3

KPA 2	Public Participation											
Strategic objective (SO6)	Participate 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
	Agenda and notices of section 79 committees distributed quarterly	15/16 Sec 79 notices and agenda	5 notices and agendas distributed by July 2016	5 notices and agendas distributed by Nov 2016	5 notices and agendas distributed by Feb 2017	5 notices and agendas distributed by May 2017	20 notices and agenda of Section 79 distributed quarterly	Target not achieved  15 notices and agendas were distributed	Council removed the quarter one Committee meetings as they were unable to take place due to local government elections and election of the new council	-	Notices and agenda	J4
<b>Mitigating of departmental risk register</b>	3 risks identified and mitigated by June 2017	15/16 Risks register report	-	-	1 risk mitigated by March 2017	2 risk mitigated by June 2017	3 risks mitigated by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Risk report on the updated risk register (Acknowledgment of receipt)	J5

KPA 2	Public Participation											
Strategic objective (SO6)	Participate 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>To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality</b>	Monitoring B2B Report quarterly	15/16 B2B Report	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by Sept 2016	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by Dec 2016	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by March 2017	Quarterly updated B2B Diagnostic Report submitted to the IDP Manager by June 2017	12 monthly reports Updated B2B quarterly report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	J6
<b>Review, and implement all relevant departmental policies</b>	5 reviewed policies by June 2017 (Public participation, Communication, HR and Training, Social media policies)	5 reviewed policies	-	-	-	5 reviewed policies by June 2017	5 reviewed policies by June 2017 (Public participation, Communication, HR and Training, Social media policies)	Target over achieved  The department reviewed 6 policies	-	-	Policies Council resolution	J7
<b>Strategies developed and reviewed</b>	Annual Reviewed delegation system adopted by Council by June 2017	2015/2016 reviewed delegation system	-	-	-	Reviewed and adopted Delegation System by June 17	Annual Reviewed delegation system adopted by Council by June 2017	Target achieved	-	-	Council Resolution and Adopted Delegation System	J8

<b>KPA 2</b>	<b>Public Participation</b>											
<b>Strategic objective (SO6)</b>	<b>Participate 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>Organizational development</b>	10 officials capacitated in terms of the workplace skills	New KPI	-	-	5 officials capacitated	5 officials capacitated	10 officials capacitated by June 2017	Target achieved	-	-	Skills development report	J9
<b>Councillor development</b>	2 councillors capacitated in terms of skills	New KPI	-	-	-	2 councillors	2 councillors capacitated	Target not achieved	Due to Councillors commitments and meetings with SALGA	Councillors will be capacitated in the next financial year	Skills development Report	J10
<b>Recruitment and selection</b>	1 filled budgeted post	New KPI		1 official appointed	-	-	1 filled budgeted post	Target not achieved	Municipal Financial Constraints	An Official will be appointed in the next financial year	Appointment letter	J11
<b>Enhance institutional development and good governance</b>	Development and submission of the (17/18) workplace skills plan by 30 April 2016 to LGSETA	14/15 submitted WSP	-	-	-	Developed and submitted WSP to LGSETA by April 2017	15/16 WSP submitted by April 17	Target achieved	-	-	Acknowledgement of receipt from LGSETA and WSP Document	J12
<b>Enhance institutional development and good governance</b>	3% of budget actually spent on implementing WSP bi-annually	New KPI	-	1% of budget actually spent on implementing WSP	-	2% of budget actually spent on implementing WSP	3% of budget actually spent on implementing WSP	Target over achieved	-	-	Proof of amounts spent	J13
<b>To ensure provision of secretaries support to council</b>	Quarterly updated resolution register	Register updated	Resolution register updated by Dec 2016	Resolution register updated Jan 2017	Resolution register updated by April 2017	Resolution register updated by June 2017	Updated resolution register by June 2017	Target achieved	-	-	Updated register	J14

## FINANCE SERVICES

Financial Management												
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
<b>Review, and implement all relevant departmental policies</b>	6 budget related policies reviewed by June 2017 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	2015/16 Reviewed budget related policies	-	-	To submit 6 draft policies to Section 79 and Council for adoption by March 2017	To submit 6 Final policies to Section 79 and Council for adoption by March 2017	6 budget related policies reviewed by June 2017 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Target achieved  12 budget related policies have been approved	-	-	Policies Council resolutions Attendance register	K1
<b>Implementation of Mohokare Financial Management Plan</b>	Developed Compliant municipal budget by June 2017	2015/2016 adopted budget	-	-	Submit the draft compliant budget to Budget Steering Committee and Council by March 2017	Submit the Final budget to Budget Steering Committee and Council for adoption by May 2017	Developed Compliant municipal budget by June 2017	Target achieved	-	Compliant budget	Compliant budget	K2
	Developed adjustment budget by Feb 2016	Adopted adjustment budget in by Feb 2016	-	-	Submit the adjusted budget to Budget Steering Committee and	-	Adopted adjustment budget by Feb 2016	Target achieved	-	-	Adjusted Budget Council Resolution	K3



<b>Grow Mohokare</b>	12 local businesses awarded by June 2017	New KPI	3 local businesses awarded	12 local businesses awarded by June 2017	Target over achieved  17 local businesses were awarded	-	-	Report on LED	K8			
<b>Grow Mohokare</b>	80 % creditors paid within 30 days	New KPI	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	20 % of creditors paid within 30 days	80 % creditors paid within 30 days	Target not achieved	Due to the municipality' cash flow constraints, only critical creditors that are related to service delivery as well as third party were prioritised and paid within 30 days.	Cash flow management plan to be implemented	Invoices and expenditure forms	K9
<b>Grow Mohokare</b>	30% of outstanding debt collected over 90 days by June 2017	New KPI	7.5 % of debt collected	30% of outstanding debt collected over 90 days by June 2017	Target not achieved	The system has not yet closed due to the conversion from SEBATA to Munsoft, therefore no report can be provided at the moment	report will be provided by end 30 <sup>th</sup> July 2017	Quarterly revenue report	K10			
<b>Ensure sound financial management and financial sustainability of MLM</b>	Prepare a MSCOA compliant budget by 30 June 2017	New KPI	-	-	-	MSCOA compliant budget	100% MSCOA Budget compiled by June 2017	Target Achieved	-	-	Copy of approved Budget	K11

<b>Fully effective asset management unit</b>	Quarterly verifying physical assets against assets register by June 2017	New KPI	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Quarterly report on verification of physical assets	Updated GRAP compliant assets register by June 2017	Target achieved	-	-	Assets register Quarterly report on verification of physical assets	K12
<b>Implementing effective internal controls and monitoring compliance</b>	Timely submission of compliance reports to Council, NT and PT (Section 71, 52, and 72)	New KPI	Quarterly budget statement (Section 52 & 71)	Quarterly budget statement	Quarterly budget statement	Quarterly budget statement	Compliance reports as per MFMA	Target achieved	-	-	Quarterly reports	K13
<b>Compilation of compliant AFS</b>	Submission of Draft compliant Financial Statements to AG, National and Provincial Treasury by 31 <sup>st</sup> August 2016	Submitted AFS by Aug 2015	Submission of compliant Draft Financial Statements to AG and National and Provincial Treasury by 31 <sup>st</sup> August 2016	-	-	-	Submitted AFS by 31 <sup>st</sup> August 2016	Target achieved	-	-	Proof of submission to AG, NT and PT	K14
<b>Submission of Compliant AFS</b>	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2017	AFS submitted to Council by 29 Jan 2016	-	-	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2017	-	Submitted final AFS to Council	Target achieved	-	-	Proof of submission to AG, NT and PT	K15

<b>To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality</b>	Summary of 75% of 42 AG action plans resolved and implemented.	New KPI	-	-	Departmental summary 25% of 42 audit matters attended	Departmental summary 50% of 42 audit matters attended	75% of 42 audit queries attended	Target achieved	-	-	Summary report and action plan	K16
	32 mitigated risks against identified risks by June 2017	15/16 Risks register report	8 risks mitigated	8 risks mitigated	8 risks mitigated	8 risks mitigated	32 mitigated risks against identified risks by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Risk register and proof of submission	K17
	Monitoring B2B Report K quarterly	New KPI	Quarterly updated B2B Report by Sept 2016	Quarterly updated B2B Report by Dec 2016	3 monthly updated B2B Report by March 2017	3 monthly updated B2B Report by June 2017	12 monthly Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	K18

## COMMUNITY SERVICES

KPA 6	Environmental Management (basic services)											
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	#REF
Provision of sustainable Human Settlements in all the three towns by 30 June 2017	Review of Human Settlement Sector Plan by June 2017	Human Settlement Sector Plan 2015/16	-	-	Submission of draft plan to Council by March 2017	Submit the final reviewed Plan to Council by May 2017	Review of Human Settlement Sector Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L1
	Developed Land Disposal Policy by June 2017	New KPI	-	-	Submission of draft policy to council by march 2017	Submission of final policy to Council for approval by June 2017	Land Disposal Policy developed by June 2017	Target achieved	-	-	Council resolution copy of the plan	L2
	Reviewed of Municipal Housing Rental Policy by June 2017	Municipal rental housing policy in place by 2015/16	-	-	Submission of draft policy to council by march 2017	Submission of final policy to Council for approval by June 2017	Reviewed of Municipal Housing Rental Policy by June 2017	Target not achieved	The draft policy was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council resolution copy of the plan	L3
	Reviewed Municipal sites allocation Policy by June 2017	2015/2016 Policy	-	-	Submission of draft Policy to Council by March 2017	Submission of final Policy to Council for approval by June 2017	Reviewed Municipal sites allocation Policy by June 2017	Target achieved	The Policy has been repealed and replaced by Municipal Land Disposal Policy	-	Council resolution Copy of the Policy	L4

KPA 6	Environmental Management (basic services)											
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	#REF
<b>Management of Local Disaster as per incident</b>	Review of local disaster management plan by June 2017	Local Disaster Management Plan in place 2015/16	-	-	Submission of draft plan to Council by March 2017	Submit the final reviewed Plan to Council by May 2017	Reviewed Disaster Management Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L5
<b>Keep Mohokare safe and clean</b>	Management of Local Disaster as per incident	New KPI	-	-	2 disaster incidents attended	2 disaster incidents attended	No of disaster incident attended	Target Achieved	-	-	Quarterly report	L6
	Reviewed Extended Public Works Policy by August 2017	EPWP in place	Submit the final reviewed Plan to Council by August 2016	-	-	Submit the final reviewed Plan to Council by May 2017	Reviewed Extended Public Works Policy by August 2017	Target achieved	-	-	Council resolution and Copy of the Policy	L7
	Reviewed Commonage Management plan by June 2017	Commonage management plan in place	-	-	Submission of draft plan to Council by March 2017	Submit final plan to Council by May 2017	Reviewed Commonage Management Plan by June 2017	Target achieved	-	-	Council resolution and Copy of the Plan	L8
	Developed Sports and Facilities Management policy by June 2017	New KPI	-	-	Submission of draft plan to Council by March 2017	Submit final draft to Council by May 2017	Developed Sports and Facilities Management policy by June 2017	Target achieved	-	-	Council resolution and Copy of the Policy	L9
	Reviewed Cemetery Management Policy by June 2017	Cemetery Management policy in place	-	-	Submission of draft policy to council by march 2017	Submission of final policy to Council for approval by June	Review of Cemetery management Policy by June 2017	Target achieved	-	-	Council resolution copy of the plan	L10

KPA 6 Environmental Management (basic services)												
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	#REF
						2017						
<b>Keep Mohokare Safe &amp; Clean</b>	Develop the draft operations and maintenance Plan	New KPI	-	-	-	Draft Operations and Maintenance Plan approved by Council by May 2017	Developed draft operations and maintenance Plan by May 2017	Target not achieved	The draft plan was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council resolution Approved draft plan	L11
<b>Keep Mohokare Safe &amp; Clean</b>	Implementation of the Operations and Maintenance Plan	New KPI	-	-	Quarterly maintenance report of the municipal council buildings	Quarterly maintenance report of the municipal council buildings	Maintained Council buildings	Target not achieved	The account for Municipality was on hold due to non-payment to service providers	Payment of Municipal accounts by Finance Department	Quarterly maintenance report	L12
<b>Keep Mohokare Safe &amp; Clean</b>	Develop draft traffic Operations Plan	New KPI	-	-	-	Draft traffic operations plan approved by Council by May 2017	Developed draft traffic operations Plan by May 2017	Target not achieved	The draft plan was developed but never submitted to Council, awaiting for other inputs from stakeholders	The plan will be submitted in the next financial year after stakeholder consultations	Council Resolution Approved plan	L13
<b>Keep Mohokare Safe &amp; Clean</b>	Implementation of traffic management plan	New KPI	-	-	1 quarterly report	1 quarterly report	2 quarterly consolidate municipal vehicle inspections report	Target achieved	-	-	Quarterly report	L14

KPA 6	Environmental Management (basic services)											
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	#REF
To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	13 risks identified and mitigated quarterly	New KPI	Identification of risks and submission of the report to the risk register by Sept 2016	Risk report on the updated risk register (Mitigation of risk) submitted to the Risk Officer by Dec 2016	6 risks identified and mitigated quarterly	7 risks identified and mitigated quarterly	13 risks identified and mitigated quarterly by June 2017	Target not achieved	Risk management unit did not closely monitor management's responses to the municipality's strategic & operation risks due to non-functioning of RMC	Chairperson of the RMC has been appointed with effect from 1 <sup>st</sup> June 2017	Proof of submission of the updated risk register (Acknowledgment of receipt)	L15
	Monitoring B2B Report monthly	New KPI	Quarterly updated B2B Diagnostic Report by Sept 2016	Quarterly updated B2B Diagnostic Report by Dec 2016	Quarterly updated B2B Diagnostic Report by March 2017	Quarterly updated B2B Diagnostic Report by June 2017	12 Updated B2B report	Target not achieved	CoGTA requested not to submit due to outstanding meeting with Municipality	B2B will be submitted after the meeting with CoGTA in the next financial year	Proof of submission of the updated B2B report to IDP Unit (Acknowledgment of receipt)	L16

**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.

<b>TOTAL EMPLOYEES</b>				
<b>Description</b>	<b>Ending 31<sup>st</sup> June 2017</b>			
	<b>Number of Posts</b>	<b>Number of Employees</b>	<b>Vacancies</b>	<b>% Variance</b>
Water	60	48	12	20%
Sanitation	76	56	20	30%
Electricity	4	1	3	75%
Roads & Storm-water	22	10	12	54,5%
Technical Services (exc the above)	8	6	2	25 %
Waste Management	46	29	17	36,95%
Human Settlement	4	3	1	25%
Traffic Safety & Management	7	3	4	57%
Community Services (exc Waste, Human Settlement & Traffic)	53	43	10	18,87%
Planning	2	1	1	50%
Local Economic Development	2	1	1	50%
Office of the MM (exc Planning & LED)	31	15	16	51,6%
Finance	49	36	9	18,4%
Corporate Services	16	10	5	31,25%
<b>TOTALS</b>	<b>380</b>	<b>262</b>	<b>113</b>	<b>29,7%</b>

**VACANCIES**

<b>Vacancy Rate: 2016/17</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 Posts)	17	3	17.60
Senior management: Levels 13-15 (Finance posts)	3	2	66.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	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 2016/17</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.

## 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	Relocation Policy	100	100	June 2016
9	Councilor Remuneration Policy	100	100	June 2016
10	Staff Retention Policy	100	100	June 2016
11	Draft Employment Equity policy	100	100	26 May 2016
12	Communications Policy	100	100	26 May 2016
13	Public Participation Policy	100	100	26 May 2016
14	Youth Development Policy	100	100	June 2016
15	Delegation Systems	100	100	26 May 2016
16	ICT Strategy	100	100	26 May 2016
17	IT Security Policy	100	100	26 May 2016
18	IT Assets Control & Disposal Policy	100	100	26 May 2016
19	Internet Usage Policy	100	100	26 May 2016
20	Change Management Policy	100	100	26 May 2016

<b>HR Policies and Plans</b>				
	<b>Name of Policy</b>	<b>Completed</b>	<b>Reviewed</b>	<b>Date adopted by council</b>
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 Days	Total Estimated Cost
Required basic medical attention	3	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>3</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
NONE				

**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 2016/2017 workplace discipline cases were recorded at 11 of which 8 were concluded and 3 outstanding as 2 cases are now handled at the Labour Court level and 1 case handled internally. 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 2016/17 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within
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	0	0
	Male	3	3	0	0
<b>Total</b>		<b>4</b>	<b>4</b>	<b>0</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.

## **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 2016/2017.

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 programmes in the financial year 2016/2017 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 2017	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: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017	2016/17	Actual: 2015/2016	Actual: 2016/2017
MM and s57	Female	1	0	0	0	0	0	0	1	0	1	1	0	1
	Male	3	1	0	1	0	0	0	2	2	3	3	2	4
Councillors, senior officials and managers	Female	9	1	2	6	0	0	0	1		1	2	2	7
	Male	15	6	5	4	0	0	0	0	0	5	6	5	10
Technicians and associate professionals*	Female	1	0	0	1	0	0	0	1	1	1	1	1	2
	Male	2	0	0	1	0	0	0	0	0	2	0	0	3
Professionals	Female	3	3	2	3	0	3	3	0	0	3	3	5	9
	Male	6	6	6	6	0	2	5	1	0	3	7	8	14
Sub total	Female	14	4	4	10	0	3	3	3	1	6	7	8	19
	Male	26	5	11	12	0	2	5	3	2	13	16	15	30
<b>Total</b>		<b>40</b>	<b>9</b>	<b>15</b>	<b>22</b>	<b>0</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>3</b>	<b>19</b>	<b>23</b>	<b>23</b>	<b>51</b>

<b>Financial Competency Development: Progress Report</b>						
<b>Description</b>	<b>A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))</b>	<b>B. Total number of officials employed by municipal entities (Regulation 14(4)(a))</b>	<b>Consolidat ed: Total of A and B</b>	<b>Consolidat ed: Competen cy assessments completed for A and B (Regulation 14(4)(b) and (d))</b>	<b>Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation</b>	<b>Consolidat ed: Total number of officials that meet prescribe d competenc y levels (Regulation</b>
Accounting officer	1	0	1	1	1	1
Chief financial	1	0	1	1	1	1
Senior managers	2	0	2	1	2	1
Any other financial officials	11	0	11	11	0	9
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior	0	0	0	0	0	0
<b>TOTAL</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>15</b>	<b>5</b>	<b>13</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 2017.

Skills Development Expenditure										
Management level	Gender	Employees 2016/17 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	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0
Legislators, senior officials and Professionals	Female	9	0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
Professionals	Female	7	0	0	R3480.	R3480	0	0	R3480.7	R3480.7
	Male		0	0	0	0	0	0	0	0
	Female	1	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	0	0	0
Clerks	Female		0	0	R2 290	R2	0	0	R2 290	R2 290
	Male		0	0		R1	0	0	R1 145	R1 145
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male		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	R3 435	R3	0	0	R3	R3 435
	Male		0	0	R16	R16	0	0	R16	R16
Sub total	Female		0	0	0	0	0	0	0	0
	Male		0	0	0	0	0	0	0	0
<b>Total</b>			<b>0</b>	<b>0</b>		<b>R22</b>	<b>0</b>	<b>0</b>	<b>R26 38</b>	<b>R26 38</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

- 2 Section 56 employees have completed the Municipal Finance Management Programme in compliance with the National Treasury Minimum Competency levels regulations.
- Supply chain employees and the interns from the finance department have completed the Municipal Finance Management Programme.
- 30 Plant operators completed water and waste water treatment works on various qualifications.
- 20 lower level employees completed a First aid programme.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE 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>

<b>Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation</b>				
<b>Occupation</b>	<b>Number of employees</b>	<b>Job evaluation level</b>	<b>Remuneration level</b>	<b>Reason for deviation</b>
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 deficit of R 13.6 million compared to a budgeted surplus of R 70.5 million. Operating revenue for the year is R 211.5 million (2016: R 224.2 million) which reflects a decrease of 5.7%. The operating expenditure for the year is R 224.6 million (2016: R 188.9 million) which reflects an increase of 18.9%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R 40.7 million which includes R 39.4 million from government grants and R 1.2 million from own cash resources. Cash and short term investments increased by 133.6% to R 14.8 million (2016: R 6.3 million).

### **COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE**

Operating revenue excluding government grants and subsidies but including equitable share for the year is R 162.1 million (2016: R 137.7 million) which reflects an increase of 17.7%. Included in the above figure is equitable share to the amount of R 54.5 million, 25.8% of the total revenue.

Electricity and water are the largest source of income and contributes 12.04% and 10.8% respectively to operating revenue. Property rates constitute 4.9% of revenue.

Fines, Penalties and Forfeits has increased from R 12.2 million to R 26.7 million. This is due to the use of the TMT system.

The operating expenditure for the year is R 224.6 million (2016: R 188.9 million) which reflects an increase of 18.9% from the previous financial year. The main expenditures are employee related costs at R 60.8 million, debt impairment at R 67.5 million, bulk purchases at R 25.1 million and depreciation and amortisation at R 27 million. Repair and maintenance increased from R 3.3 million to R 4 million.

### **COMPONENT A: STATEMENTS OF FINANCIAL POSITION**

The current assets increased from R 33.9 million to R 59.2 million. This is an increase of 74.3%. This is an increase of R 25.2 million.

The current liabilities increased from R 85.8 million to R 126.8 million. This is an increase of R 41 Million.

The non-current assets increased from R 540.3 million to R 549.9 million. This is an increase of R 9.6 million or 1.8%. This was largely due to capital grants from MIG and MWIG.

The non-current liabilities increased by R 7.5 million.

**5.1 STATEMENTS OF FINANCIAL PERFORMANCE**

Financial Performance of Operational Services						
R '000						
Description	2015-16	2016-17		2016-17 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	19 927	27 219	29 329	22 109	-23%	-33%
Waste Water (Sanitation)	8 065	21 218	20 978	8 152	-160%	-157%
Electricity	54 046	31 476	31 412	52 323	40%	40%
Waste Management	4 905	12 234	11 979	5 294	-131%	-126%
Housing	815	958	944	733	-31%	-29%
<b>Component A: sub-total</b>	87 758	93 105	94 642	88 611	-5%	-7%
Roads	1 241	10 971	11 398	3 610	-204%	-216%
<b>Component B: sub-total</b>	1 241	10 971	11 398	3 610	-204%	-216%
Planning	3 561	4 398	4 361	3 953	-11%	-10%
<b>Component C: sub-total</b>	3 561	4 398	4 361	3 953	-11%	-10%
Community & Social Services	5 627	6 778	7 366	6 084	-11%	-21%
Security and Safety	488	1 524	1 306	344	-343%	-279%
Sport and Recreation	520	565	574	462	-22%	-24%
Corporate Policy Offices and Other	89 681	49 891	53 967	114 041	56%	53%
<b>Component D: sub-total</b>	96 316	58 758	63 214	120 933	51%	48%
<b>Total Expenditure</b>	<b>188 876</b>	<b>167 232</b>	<b>173 615</b>	<b>217 106</b>	<b>23%</b>	<b>20%</b>
						T 5.1.2

**COMMENTS**

Significant variances can be noted in several departments. This relates mainly to electricity (derived from the consolidation figures received from CENTLEC), Waste Management and Security Services

## 5.2 GRANTS

Operating Grant Performance						
Description	2015-16	2016-17			2016-17 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>58,762</b>	<b>57,297</b>	<b>57,297</b>	<b>57,297</b>		
Equitable share	54,870	54,472	54,472	54,472	100%	100%
Municipal Systems Improvement	930	-	-	-	0%	0%
Finance Management Grant	1,800	1,825	1,825	1,825	100%	100%
LG SETA Training Grant	162	-	-	-	0%	0%
Expanded Public Works Program	1,000	1,000	1,000	1,000	100%	100%
<b>Total Operating Transfers and Grants</b>	<b>58,762</b>	<b>57,297</b>	<b>57,297</b>	<b>57,297</b>		
						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 in conjunction with the decrease in registered indigents.

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 R3,746 million withheld from the Equitable Share Grant in respect of unspent conditional grant funding (MIG Funds).

## 5.3. ASSET MANAGEMENT

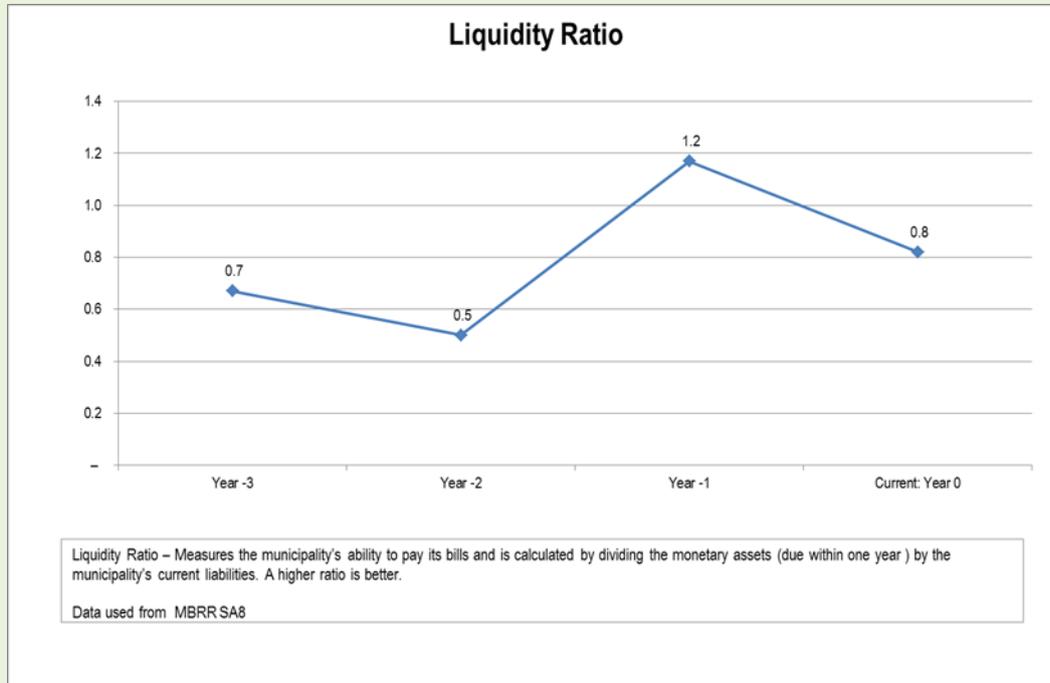
Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for movable and immovable assets. No capital project (work in progress) were completed and unbundled in the current financial year. All asset additions for the year relates to work in progress on ongoing projects as well as movable asset additions.

Repair and Maintenance Expenditure: Year 2017				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	5 535 119	5 513 919	3 991 399	28%

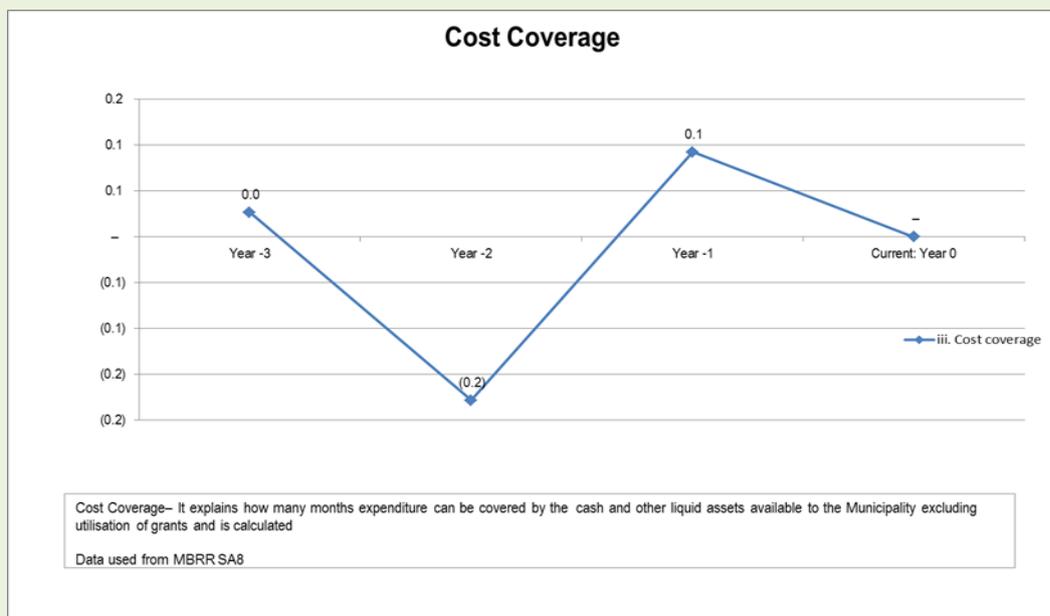
The figure above does not include labour, transport and overheads.

28% of the budgeted amount for the purchase of materials was not spent.

### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

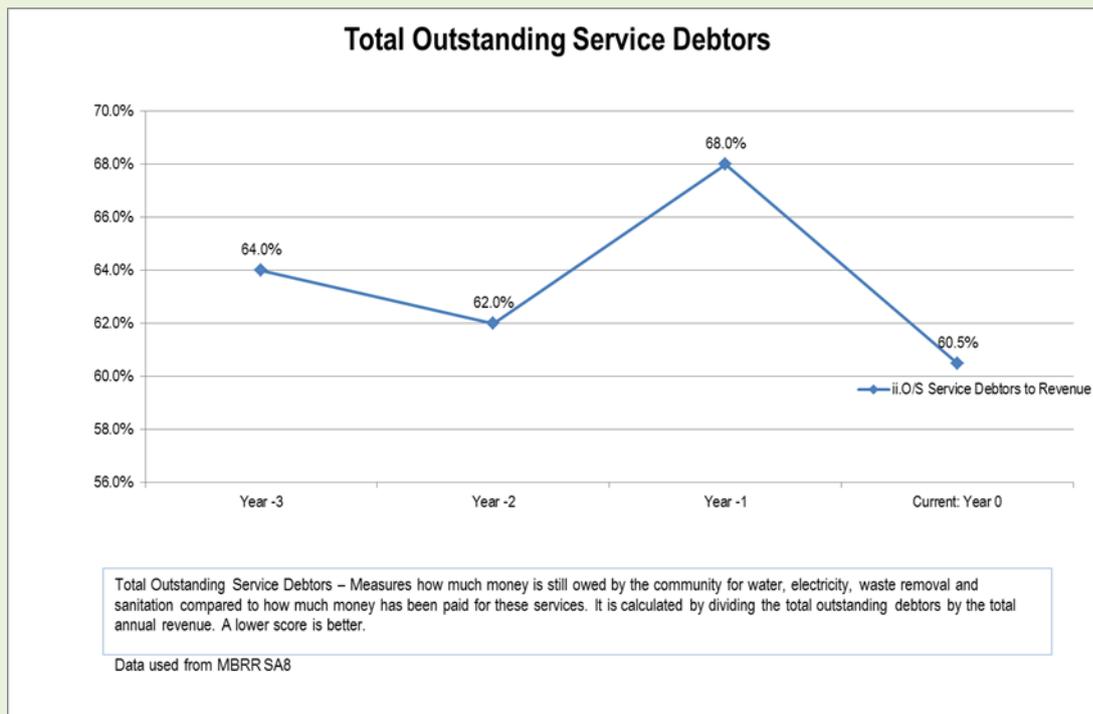


The above indicates that the municipality does not have sufficient liquid assets to pay the service creditors.

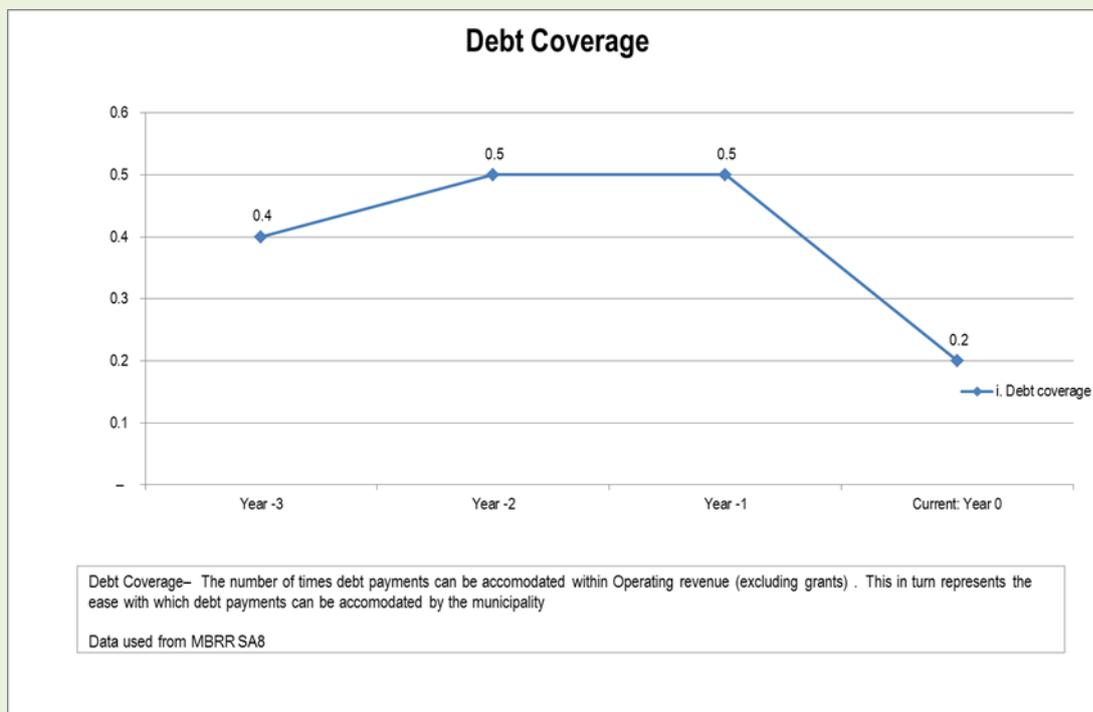


The parameters are that at the end of each year sufficient funds be available to pay 2 months' average expenditure.

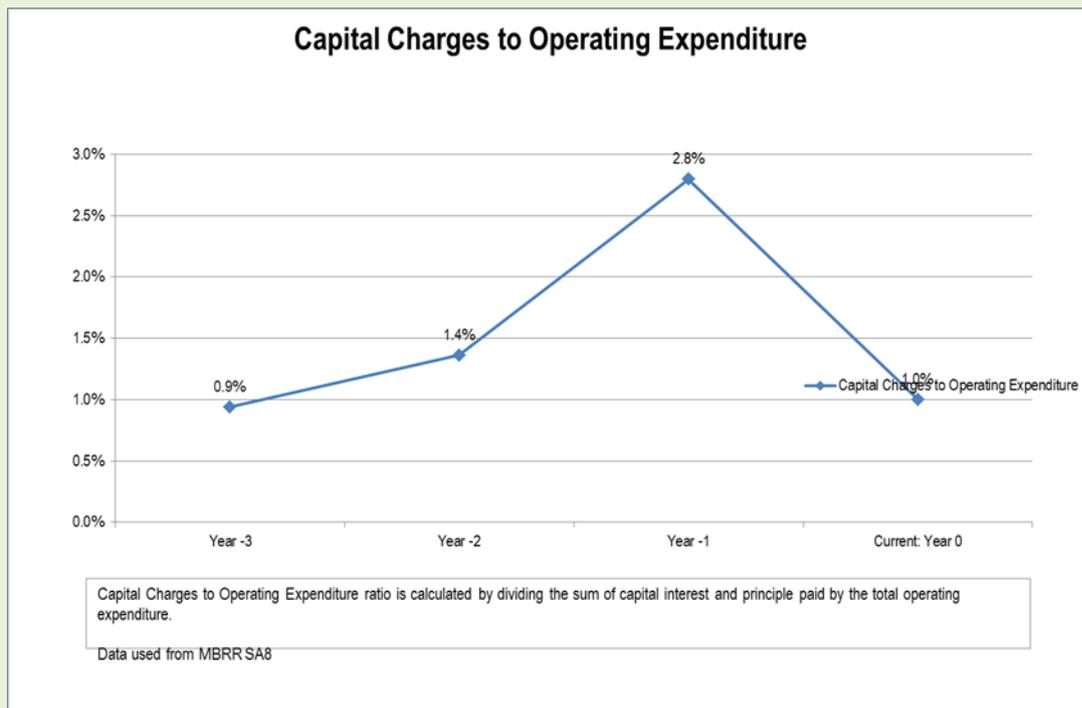
The operative percentage should be 100%, whereas it is less than 1%.



The above decrease was brought on by the fact that the Municipality changed to a new financial system which gave rise to accounts not being issued to consumers in time. This led to a lower repayment of outstanding accounts as the accounts for March to June 2017 was only distributed in August 2017.

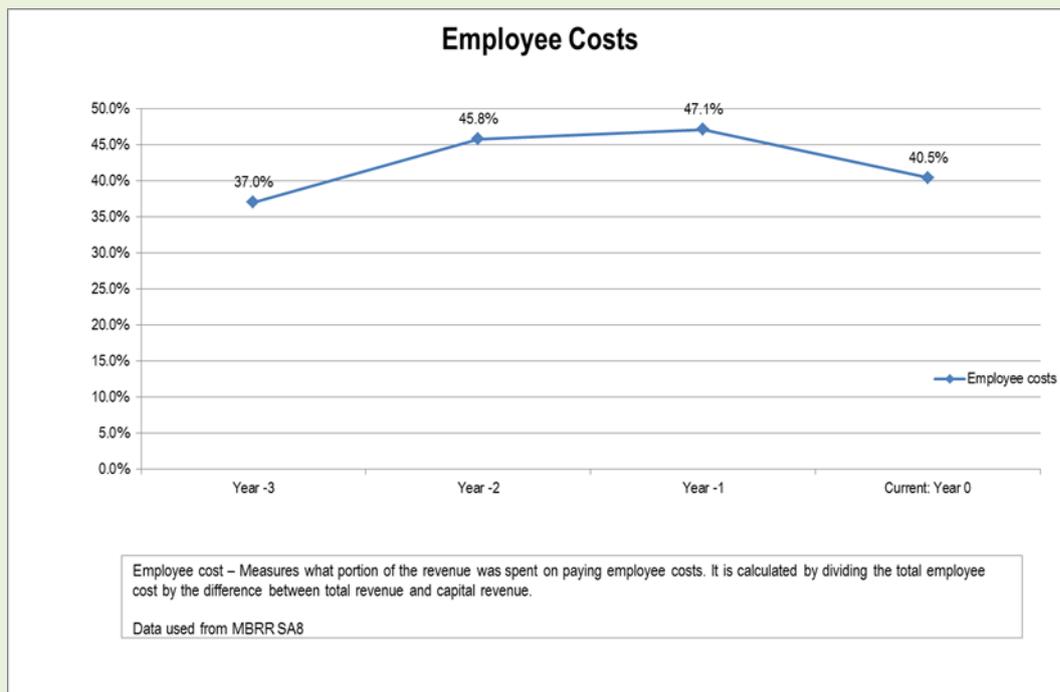


The graph indicates that the outstanding debtors are greater than the own income generated by the municipality and that such debtors may not be realised.



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 37% to above 40.5%.

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET****5.5 SOURCES OF FINANCE (captured manually)**

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	2015-16	2016-17					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	-	-	-	-	0.00%	0.00%	
Public contributions and donations	-	-	-	-	0.00%	0.00%	
Grants and subsidies	79 681	93 694	92 273	39 450	-1.52%	-57.89%	
Other	473	1 411	1 449	1 439	2.69%	1.98%	
<b>Total</b>	<b>80 154</b>	<b>95 105</b>	<b>93 722</b>	<b>40 889</b>	<b>1.18%</b>	<b>-55.91%</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	99.4%	98.5%	98.5%	96.5%	-128.9%	103.5%	
Other	0.6%	1.5%	1.5%	3.5%	228.9%	-3.5%	
<b>Capital expenditure</b>							
Water and sanitation	73 738	65 945	65 945	27 176	0.00%	-58.79%	
Electricity	247	-	-	-	0.00%	0.00%	
Housing	-	-	-	-	0.00%	0.00%	
Roads and storm water	3 980	28 429	27 008	10 141	-5.00%	-64.33%	
Other	2 189	731	769	3 572	5.20%	388.65%	
<b>Total</b>	<b>80 154</b>	<b>95 105</b>	<b>93 722</b>	<b>40 889</b>	<b>0.20%</b>	<b>265.53%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	92.0%	69.3%	70.4%	66.5%	0.0%	-22.1%	
Electricity	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	5.0%	29.9%	28.8%	24.8%	-2499.9%	-24.2%	
Other	2.7%	0.8%	0.8%	8.7%	2599.9%	146.4%	
						<i>T 5.6.1</i>	

**5.6 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS**

<b>Capital Expenditure of 5 largest projects*</b>					
<b>Name of Project</b>	<b>2016-17</b>			<b>Variance: 2016-17</b>	
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Original Variance (%)</b>	<b>Adjustment variance (%)</b>
	<b>R' 000</b>				
Construction of a 27km pipeline from the Orange River to the Paisley Dam	30,299	30,299	16,288	46%	0%
Zastron Water Pumps (part of 15km pipeline)	5,751	5,751	5,751	0%	0%
Smithfield/Somido Park - Access Roads	12,437	12,437	11,561	7%	0%
Itumeleng Sportsground	10,481	10,481	921	91%	0%
Upgrading of the Zastron WWTW	1,489	1,489	1,639	-10%	0%
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Construction of a 27km pipeline from the Orange River to the Paisley Dam</b>					
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Differences between contractor and Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to the residents of Rouxville, Roleathunya nad Uitkoms				
<b>Zastron Water Pumps (part of 15km pipeline)</b>					
Objective of Project	Increase of bulk water supply to Zastron				
Delays	None identified				
Future Challenges	Maintenance of the pumpstation				
Anticipated citizen benefits	Sustainable water supply for future demands				
<b>Smithfield/Somido Park - Access Roads</b>					
Objective of Project	Construction of access roads and storm collectors				
Delays	None identified				
Future Challenges	Maintenance of the roads				
Anticipated citizen benefits	Better roads for the community				
<b>Itumeleng Sportsground</b>					
Objective of Project	Construction of a sports facility in Itumeleng				
Delays	Poor performance by the contractor				
Future Challenges	Vandalism				
Anticipated citizen benefits	Recreational facilities				
<b>Upgrading of the Zastron WWTW</b>					
Objective of Project	Discharging of acceptable effluent into natural resources				
Delays	None identified				
Future Challenges	Maintenance of the plant				
Anticipated citizen benefits	Environmental health				
					<b>T 5.7.1</b>

**5.7 CASH FLOW (Captured manually)**

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
<b>Description</b>	<b>2015-16</b>	<b>2016-17</b>		
	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	130 499	63 747	59 137	108 351
Government - operating		57 297	57 297	
Government - capital		93 694	93 694	
Interest	525	6 196	6 553	3 499
Dividends	10	11	11	10
<b>Payments</b>				
Suppliers and employees	(53 211)	(120 471)	(126 769)	(62 718)
Finance charges	(149)	(2 212)	(2 297)	(134)
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>77 674</b>	<b>98 262</b>	<b>87 626</b>	<b>49 009</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(71 797)	(95 105)	(93 721)	(40 695)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(71 797)</b>	<b>(95 105)</b>	<b>(93 721)</b>	<b>(40 695)</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	(494)			144
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(494)</b>	<b>-</b>	<b>-</b>	<b>144</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>5 384</b>	<b>3 156</b>	<b>(6 095)</b>	<b>8 458</b>
Cash/cash equivalents at the year begin:	945	200	5 574	6 329
Cash/cash equivalents at the year end:	6 329	3 356	(521)	14 787
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

The municipality closed the 2016/17 financial year with a positive balance of R 14,8 million. This was due to unspent conditional grants.

## 5.8 BORROWINGS AND INVESTMENT

Actual Borrowings: 2014-15 to 2016-17			
			R' 000
Instrument	2014-15	2015-16	2016-17
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	22 467	25 161	31 281
Financial Leases	463	201	525
<b>Municipality Total</b>	<b>22 929</b>	<b>25 362</b>	<b>31 806</b>

The only new borrowing facilities utilized relates to the purchase of a Mayoral Vehicle.

Investments are made with different financial institutions.

Municipal and Entity Investments			
			R' 000
Investment* type	2014-15	2015-16	2016-17
	Actual	Actual	Actual
<b>Municipality</b>			
Deposits - Bank	166	202	14 226
<b>Municipality sub-total</b>	<b>166</b>	<b>202</b>	<b>14 226</b>
<b>Consolidated total:</b>	<b>166</b>	<b>202</b>	<b>14 226</b>

## 5.9 PUBLIC PRIVATE PARTNERS

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

## 5.10 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

No	Name	Qualification
1	Lesibo Sebatane	B.Com (Accounting) + MFMP
2	Pule Lesenyeho	B.Com (General) + MFMP
3	Thabiso Lebeta	National Diploma (Internal Auditing) + MFMP
4	Dideka Mazwi	B.Tech (Cost & Management Accounting) + MFMP

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

### **5.11 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 - AUDITOR GENERAL REPORT

### 6.1.1. Report of the Auditor-General to the Free State Legislature and the council on the Mohokare Local Municipality

#### Report on the audit of the financial statements

##### Disclaimer of opinion

I was engaged to audit the financial statements of the Mohokare Local Municipality set out on pages XX to XX, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

##### Basis for disclaimer of opinion

###### Cash and cash equivalents

I was unable to obtain sufficient appropriate audit evidence for material differences identified between the cashbook balance and the physical bank balances as per the bank confirmations received. The municipality did not perform bank reconciliations and did not clear material amounts on a number of cash control accounts at year-end. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the short-term deposits balance stated at R31 615 183 and the bank overdraft balance stated at R16 829 798, as disclosed in note 8 to the financial statements.

###### Revenue from exchange transactions

The municipality did not recognise revenue in terms of Generally Recognised Accounting Practice (GRAP) 9, Revenue from exchange transactions. The municipality did not read all water meters on a monthly basis and the reasonability of the estimated units levied on the billing system could not be confirmed. In addition, instances were identified where consumers were charged both an interim billing as well as an actual billing for the same period of consumption. Due to the volume of transactions involved, I was unable to determine the full extent of the overstatement of service charges and receivables from exchange transactions, as it was impracticable to do so.

###### Government grants and subsidies

I was unable to obtain sufficient appropriate audit evidence that the municipality had accounted for all grant allocations received from an organ of state in the national sphere of government, as the municipality did not keep adequate record of expenses incurred. Consequently, I was unable to determine whether any adjustments were necessary to government grants and subsidies stated at R103 877 920 and unspent conditional grants stated at R32 151 931 in the financial statements.

#### Payables from exchange transactions

I was unable to obtain sufficient appropriate audit evidence for salary suspense accounts included in trade and other payables, due to the poor status of the accounting records. I could not confirm the trade and other payables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to trade and other payables from exchange transactions stated at R76 171 414 in the financial statements.

#### Irregular expenditure

I was unable to obtain sufficient, appropriate audit evidence that management had identified, investigated and recorded all instances of irregular expenditure for the current and prior year, as controls over the system were ineffective. Consequently, I was unable to determine whether any adjustment was necessary to the irregular expenditure stated at R20 241 445 (2016: R15 225 097) in note 50 to the financial statements.

#### Material uncertainty related to going concern

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

Note 46 to the financial statements indicates that the municipality incurred a net loss of R13 576 543 during the year ended 30 June 2017 and, as of that date, the municipality's current liabilities significantly exceeded its current assets by R67 586 464 (2016: R51 884 360). The municipality has been deducting pension and provident fund contributions from employees' salaries, but has been unable to pay over R34 479 626 (2016: R27 244 731) of the contributions to the relevant third parties. Notices of motion, as disclosed in note 41 to the financial statements, were issued against the municipality as a result of long-outstanding member and council contributions to the pension and provident funds. In addition, the municipality owed an external service provider that provided electricity services for the municipality an amount of R29 904 767 (2016: R23 509 190) as at 30 June 2017, which is long overdue. Furthermore, the municipality faces the risk that future equitable share grants might be withheld. These conditions, along with other matters as set forth in note 46, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern and to meet its service delivery objectives.

## Emphasis of matters

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

### Restatement of corresponding figures

As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### Material losses – electricity

As disclosed in note 51 to the financial statements, material electricity losses to the amount of R7 198 627 (2016: R6 255 536) were incurred, which represented 28,3% (2016: 25,3%) of the total electricity purchased. These losses were incurred as a result of tampering with meters, faulty meters and illegal connections.

### Material impairment

As disclosed in note 5 to the financial statements, receivables from exchange transactions were impaired by R139 101 077 (2016: R99 120 609) and, as disclosed in note 6 to the financial statements, receivables from non-exchange transactions were impaired by R51 424 211 (2016: R22 929 543).

### Unauthorised expenditure

As disclosed in note 48 to the financial statements, non-budgeted expenditure of R59 361 080 (2016: R32 633 469) was incurred during the current and previous financial year, which resulted in unauthorised expenditure.

### Fruitless and wasteful expenditure

As disclosed in note 49 to the financial statements, fruitless and wasteful expenditure of R5 483 951 (2016: R7 756 520) was incurred during the current and previous financial year, due to interest on overdue accounts and fines and penalties on late payments.

### Material underspending of conditional grants

As disclosed in note 26 to the financial statements, the municipality materially underspent the water services infrastructure grant by R19 877 389 (2016: R5 726 654) and the municipal infrastructure grant by R11 342 688 (2016: R587 283).

## Other matters

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

### Unaudited disclosure notes

In terms of section 125(2)(e) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

### Unaudited supplementary schedules

The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

### Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards (SA Standards) of GRAP and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report
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### Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPA) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2017:

KPA	Pages in the annual performance report
KPA 1: basic service delivery and infrastructure development	x – x

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

The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

## KPA 1: basic service delivery and infrastructure development

## Various indicators

I was unable to obtain sufficient appropriate audit evidence for the reported achievement of indicators and related targets as listed below. This was due to inadequate technical indicator descriptions and/or formal standard operating procedures or documented systems descriptions that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for Managing Programme Performance Information (FMPPI). I was unable to confirm that the reported achievement of these indicators was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator	Reported achievement
Provision of aerial lighting and electrification of households by 30 June 2017	Target not achieved 22.33% progress on site
All occupied households with tap in yard	Target achieved
Frequency of removal of household refuse	Target achieved
Number of new connections	Target achieved
Quantity of purified water versus daily demand	Target over Achieved 1 668.03 ML

The evidence for the achievement of the planned indicators below was not clearly defined, as required by the FMPPI. The related targets as determined during the planning of these indicators were not specific in clearly identifying the nature and required level of performance or measurable, and did not specify the period or deadline for delivery, as required by the FMPPI. This could be attributed to a lack of understanding of the relevant guidelines in setting performance indicators and targets that are specific, measurable, achievable, relevant and time bound.

Indicator	Reported achievement
Provision of aerial lighting and electrification of households by 30 June 2017	Target not achieved 22.33% progress on site
All occupied households with tap in yard	Target achieved
Frequency of removal of household refuse	Target achieved
Number of new connections	Target achieved
Quantity of purified water versus daily demand	Target over achieved 1 668.03 ML

## Various indicators

I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed below. This was due to the unavailability of supporting documentation. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Indicator	Reported achievement
Construction of the 27 km raw water pipeline in Rouxville by June 2017	Target not achieved 73% completed
Eradication of 48 buckets in Rouxville by June 2017	Target not achieved 48 Buckets are eradicated but the contractor has not completed earthworks

## Other matters

I draw attention to the matters below.

## Achievement of planned targets

Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the under-achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 29 to 31 of this report.

## Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: basic service delivery and infrastructure. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation
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## Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

The material findings on compliance with specific matters in key legislation are as follows:

## Strategic planning and performance management

Key performance indicators (KPIs) were not set for the provision of basic water, sanitation and electricity services, as required by section 43(2) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and municipal planning and performance management regulation 10(a).

Measurable performance targets were not set for each of the KPIs for the financial year, as required by section 41(1)(b) of the MSA and municipal planning and performance management regulation 12(1).

Sufficient appropriate audit evidence could not be obtained that amendments to the integrated development plan had only been made by consulting the district municipality, as required by municipal planning and performance management regulation 3(4)(b) and 3(6)(a).

## Budgets

Reasonable steps were not taken to prevent unauthorised expenditure amounting to R59 361 080, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by non-compliance. Unauthorised expenditure amounting to R59 361 080 was incurred on non-cash items, finance charges and bulk purchases.

## Annual financial statements

The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets, current liabilities, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer of audit opinion.

## Expenditure management

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

Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 483 951, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue accounts.

Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified, as indicated in the basis for disclaimer of opinion section. The majority of the disclosed irregular expenditure was caused by non-adherence to supply chain management (SCM) requirements.

#### Revenue management

A credit control and debt-collection policy was not maintained and implemented, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.

An adequate management, accounting and information system was not in place to account for revenue, debtors and receipts of revenue, as required by section 64(2)(e) of the MFMA.

An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Accounts for municipal tax and service charges were not prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

#### Liability management

An effective system of internal control for liabilities was not in place, as required by section 63(2)(c) of the MFMA.

#### Procurement and contract management

Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

Sufficient appropriate audit evidence could not be obtained that all contracts had been awarded in accordance with the legislative requirements, as documentation supporting the procurement process for awards above R200 000 could not be obtained.

Some contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.

Bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 9(1).

The performance of some contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

#### Human resource management

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

#### Utilisation of conditional grants

The municipal infrastructure grant and the water service infrastructure grant were not spent in accordance with the applicable grant framework, in contravention of section 17(1) of DoRA.

#### Consequence management

All unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) and 32(2)(b) of the MFMA.

#### Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and the selected KPAs presented in the annual performance report that have been specifically reported on in the auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Internal control deficiencies
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I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Although the leadership established a formal code of conduct that addresses appropriate ethical and moral behaviour, the continuous monitoring of adherence to policies needs to be improved as several instances of non-compliance with legislation and municipal policies and procedures were noted.

Due to leadership instability, the leadership did not adequately respond to the matters reported by the external auditors in the previous financial year, and did not implement consequential performance management for managers and officials that did not comply with legislation and did not implement municipal policies and procedures.

Review functions performed by heads of user departments were not adequate to ensure that information provided to the finance directorate and the performance management directorate was credible. Different departments worked in silos, resulting in a breakdown in communication between the different units.

Management did not timeously and adequately address concerns raised by the internal audit unit and the audit committee. This affected the effectiveness of the internal audit unit and the audit committee, with the result that they were unable to influence an improvement in the control environment of the municipality. Furthermore, steps taken by management to address internal control deficiencies and emerging audit risks identified in the previous audit were not adequately monitored.

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

## Investigations

Three investigations were conducted by an independent consulting firm at the request of the municipality and the Office of the Premier. The investigations were initiated based on allegations of irregularities in procurement and payments. The investigations are currently in the reporting phase.

## Bloemfontein

13 December 2017



**6.1.2. AUDIT ACTION PLAN FOR 2016/17 ADDRESSING AUDIT FINDING**

The Audit Action Plan derived from the 2016/17 financial year's audit outcome are in progress of being drafted. This document should be available for usage by the Municipality by middle February 2018. It was determined internally that monthly workshops will be held in order to track the actual performance against set targeted deadlines and that Free State Provincial Treasury will be invited to the workshops on a monthly basis and the Auditor General of South Africa on a quarterly basis.

## 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
Councillor N.I Mehlomakulu (Mayor)	FT		Proportional ANC	80	20
Councillor T. S Khasake	PT	Community Services/ Technical Services/ Finance/ IDP planning LED	Ward 1 ANC	90	10
Councillor T.D Mochechepa	PT	Corp/Technical Services	Ward 2 ANC	70	30
Councillor L. Lekhula	PT	Corporate services / Community Services / IDP planning and LED	Ward 3 ANC	50	50
Councillor B.M Valashiya	PT	Finance/ Corporate Services	Ward 4 ANC	100	0
Councillor T.I Phatsoane	PT	Technical Services/ Community Services/ Planning & LED	Ward 5 ANC	90	10
Councillor M.I Morapela	P/T	Finance / Corporate Services	Proportional ANC	90	10
Councillor M. L Lephuthing	P/T	Corporate Service/ Planning and LED	Proportional ANC	90	10
Councillor I.S Riddle	P/T	Finance/Technical Service/ Community Services	Proportional ANC	70	30
Councillor L.J Lipholo	P/T	Technical Services/ Planning & LED	Proportional DA	50	50

**APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES**

<b>Municipal Committees</b>	<b>Purpose of Committee</b>
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	L.V. Nqoko-Rametse (acting)
Integrated Development Planning	Z March
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
Security Services	S Kaibe
Town Planning	E Meades
<b>Finance Department</b>	
Chief Financial Officer	P.M. Dyonase
Acting Senior Manager	E Wilken
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 Services Director	Vacant
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
Firefighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	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>
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
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	Councillor T. S Khasake	Yes	04	07	03
Ward 2	Councillor T.D Mochechepa	Yes	02	09	04
Ward 3	Councillor L. Lekhula	Yes	06	07	None
Ward 4	Cllr. B. M. Valashiya	Yes	08	10	05
Ward 5	Councillor T. I Phatsoane	Yes	03	04	None
Ward 6	Councillor M. I. Morapela	Yes	Disestablished	06	03

**APPENDIX F****MOHOKARE  
POLICIES**

30-Jun-17

Name of Department	Policy Name
Finance	Fruitless & Wasteful Expenditure Policy
Finance	Paupers Burial Policy
Finance	Loans Policy
Finance	Indigent Policy
Finance	Rates Policy
Finance	Credit control & debt Collection Policy
Finance	Tariff Policy
Finance	Banking & Investment Policy
Finance	Supply Chain Management Policy
Finance	Accounting Policies
Finance	Fixed Asset Policy
Finance	Budget Policy
Finance	Debt Write-off Policy
Finance	Debt Management Policy
Finance	Virement Policy
Finance	Methodology & Impairment of Debtors Policy
Finance	Fleet Management Policy
Finance	Traveling & Subsistence Policy

Finance	Contingent Liability Policy
Finance	Inventory Management Policy
Finance	Consultants Monitoring & Management Policy
Finance	Service Providers Perform Management Policy
Finance	Draft Policy on Proof of Residence
	Cellular and 3G Policy
	Revenue Enhancement Policy
<b>Name of Department</b>	<b>Policy Name</b>
Corporate and MM's	Placement Policy
Corporate and MM's	Organizational Design Policy
Corporate and MM's	Employment Policy incl Benefits, Working hours & Smoking
Corporate and MM's	Leave Policy
Corporate and MM's	Relocation Policy
Corporate and MM	Legal Aid /Employees Assistance Policy
Corporate and MM's	Occupational Health & Safety Policy
Corporate and MM's	Overtime Policy
Corporate and MM's	Councillor Remuneration Policy
Corporate and MM's	Labour relations & Harassment Policy
Corporate and MM's	Staff Retention Policy
Corporate and MM's	Notch Progression Policy
Corporate and MM	Leave Encashment Policy
	Employment Equity Policy
Corporate and MM's	Core Records Management Policy
Corporate and MM's	Guidelines on Civic Funerals (Cllrs)
Corporate and MM's	Communications Policy
Corporate and MM's	Public Participation Policy
Corporate and MM	Social Media Policy
Corporate and MM's	Language Policy
Corporate and MM	HR Training & Development Policy

Corporate and MM	Bursary Agreement Policy
Corporate and MM	Internship Policy
	Bereavement Policy
	ISO Procedural Policies
<b>Name of Department</b>	<b>Policy Name</b>
MM and IT	ICT Security Policy
MM and IT	ICT Assets Control & Disposal Policy
MM and IT	ICT Internet Usage Policy
MM and IT	ICT Change management Policy
MM and IT	ICT Password Policy
MM and IT	ICT Disaster Recovery Policy
MM and IT	ICT Backup Policy
	ICT Network Policy
	Telephone Usage Policy
	ICT Mobile Devices Policy
	IT User Account Management Policy
	ICT Patch Management Policy
	ICT Governance Framework Policy
	ICT Email Policy
MM and PMS	Performance Management Policy
	Service Providers Policy
MM and Risk	Anti-Fraud and Corruption Policy
MM and Risk	Risk Management Policy (ISO)
MM and Town Planning	Town Planning Policy
	Building Control Policy (ISO)
MM and LED	SMMEs Development Policy
	SMME's Support Policy
MM and Security	Security Policy (ISO)
<b>Name of Department</b>	<b>Policy Name</b>
Community Services	EPWP Policy
	Municipal Land Disposal Policy
	Rental Policy (ISO)
	Cemetery Management Policy
	Use & Management Sports Facilities Policy
	Commonage Management Policy
	Sale/lease of fixed municipal property
	Operation & Main of Initiation Schools
	Sale/Lease of Land for Religious Purposes

<b>Name of Department</b>	<b>Policy Name</b>
Technical Services	ISO Policies
<b>MOHOKARE DOCUMENTS</b>	
Finance	Debt Management Plan
	Revenue Enhancement Strategy
	Valuation Roll
	Budget 2015/2016
	Budget 2016/2017
	Procurement Plan 2016/2017
Corporate and MM	Organisational Structure 2015/2016
	Organisational Structure 2016/2017
	Declaration of Interest
	Access to Information PAIA Manual
	Collective Agreement Cond of Serve
	Collective Agreement Disciple Proceed
	Sal & Wage Collective Agreement
	Delegation of Powers
	Code of Ethics
	Workplace Skills Plan 2017/2018
	Employment Equity Plan 2016/2021
	HIV Aids Wellness plan
	Records Management File Plan
	ISO QMS
	ISO PPM
	ISO Documents Control Manual
	HR Management & Developmnt Strategy
	Council meeting schedules 2016/17
	Youth Development Plan
	Standing Rules and Orders
Mayoral Programmes	Special Programmes
	Public Participation Programme
	Youth Development Programme
MM and PMS	PMS Policy Framework
MM and IT	Disaster Recovery & Business Continuity Plan
	ICT Strategy 2015 - 2019
MM and Risk	Risk Charter
	Fraud Prevention Strategy
MM and Town Planning	Building Plan Control Manual
	Spatial Development Framework
MM and LED	
	Mohokare Agriculture Strategy 2015/16

	Mohokare Agriculture Strategy 2016/17
	Mohokare Agriculture Strategy 2017/2018
MM and IDP	IDP 2015/2016
	IDP 2016/2017
	IDP 2017/2018
	IDP & Budget Process Plan 2017/2018
Community Services	Disaster Management Plan
	Fire Maintenance Plan Draft
	Integrated Waste Management Plan
	Housing Sector Plan
	Commonage Management Plan
Technical Services	Master Plan Roads & Storm water
	Master Plan Water & Sanitation
	Waste Water Risk Abatement Plans
	MIG Recovery Plan
	Water Services Development Plan
	Infrastructure Project Plans
<b>Mohokare By-Laws</b>	
Corporate Services	Rules and Orders, 2017
Corporate Services	Ward Committee By-Law, 2012
Finance	Credit Control & Debt Collection, 2008
Finance	Property Rates By-Law, 2009
Finance	Tariff Policy By-Law, 2012
Finance	Indigent Support By-Law, 2012
Community Services	Impoundment of Animals, 2008
Community Services	Dumping & Littering, 2008
Community Services	Keeping of Animals, 2009
Community Services	Informal Settlements, 2012
Community Services	Refuse Removal By-Law, 2012
Community Services	Control of Street Vendors, etc., 2012
Community Services	Advertising By-Law, 2012
Technical Services	Water Services By-Law, 2012
Town Planning	Land Use Planning By-Law, 2015

**APPENDIX G – AUDIT COMMITTEE’S REPORT****REPORT OF THE MOHOKARE LOCAL MUNICIPALITY AUDIT & PERFORMANCE COMMITTEE FOR THE YEAR 2016/17****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 2016/17 financial year, three (3) meetings were held and attendance of members were as follows:

Member	28 August 2016	30 November 2016	12 July 2017
Ms. K. Mackerduth (chairperson)	✓□	✓□	✓□
Ms. MP. Koatla (member)	✗□	✓□	✓□
Mr. VW. Vapi (member)	✓□	✓□	✗□
Ms. Z Chonco (member)	✓□	✗	✗

Legends:

- ✓ – attended meeting
- ✗ – 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 Acting Municipal Manager, Mrs L.V Nqoko Rametse, 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 2016/17)					
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)	
AON South Africa	Insurance: 3 years	R 804 805,77	R 223 557,16	R 223 557,16	0	0	2
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	1
Uniqueco Property (Pty) Ltd	Valuation Roll	R 1 800 000,00	See SLA	See SLA	See SLA	See SLA	2
Traffic Management Solutions	Traffic Management	See SLA	See SLA	See SLA	See SLA	See SLA	1
<b>ABSA</b>	Provision of banking and related services	See SLA	See SLA	See SLA	See SLA	See SLA	2

		Municipal Entity/Service Provider Performance Schedule					
Centlec	Electricity	TBA	TBA	TBA	TBA	TBA	1
Makhedama & Associates	Professional Engineers: Zastron/Zama Road 600m paved access road	R 299 846,81	0	0	0	0	Not yet started
Nare Sereto	Supply & delivery of water treatment chemicals and commodities for 3 years	R 7 499 084,98	0	0	0	0	2
Lohan Civil JV Sebandile	Contractor: Upgrading of the Zastron water treatment works	R 13 685 155,65	0	0	0	0	Not yet started
Xhamela Energy (Pty) Ltd	Truck stop in Smithfield	See SLA	0	0	0	0	Not yet started
University of the Free State	Water & waste water quality analysis for 3 years	R 1 882 877,40	0	0	0	0	Not yet started
Gerox Trading cc	Leasing of photocopier machines for 3 years	R 765 469,80	0	0	0	0	Not yet started

Municipal Entity/Service Provider Performance Schedule							
Engineering Aces (Pty) Ltd	Professional Engineers: Rouxville/Roleleathunya phase 1 & phase 2 paved access roads with related storm water	R 1 377 603,78	0	0	0	0	Not yet started
Aryx Consulting (Pty) Ltd	Professional Engineers: Upgrading of the waste water treatment works	R 521 988,90	0	0	0	0	Not yet started
Proper Consulting Engineers (Pty) Ltd	Professional Engineers for the Smithfield bulk water scheme	R 220 000,00	0	0	0	0	Not yet started

**APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS**

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2016/17</b>		
<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests Nil / Or details</b>
<b>Mayor</b>	Clr. N.I Mehlomakulu	<b>Nil</b>
<b>Councillors</b>		
	Clr. B.M Valashiya	<b>Nil</b>
	Clr. B.J Lobi	<b>Nil</b>
	Clr. T.S Khasake	<b>Nil</b>
	Clr. L.J Lipholo	<b>Nil</b>
	Clr. L. Lekhula	<b>Phuthuma Nathi Investments Multichoice Lekhula Construction 20%</b>
	Clr. T.I Phatsoane	<b>Votyo Bakers – 1% Lemax Trading – 10%</b>
	Clr. M.I Morapela	<b>Peya Ikemela Company – 100%</b>
	Clr. M.L Lephuthing	<b>Nil</b>
	Clr. T. Mochechepa	<b>Nil</b>
	Clr. I.S Riddle	<b>Dummer Family Trustee Nick’s Place Guest House - 50% Erf 337 Smithfield Old Mutual Pension Benefits</b>
<b>Acting Municipal Manager</b>	C.T. Panyani	<b>PC Training &amp; Business College –no income Uhlosi Trading Transport Uhlosi Guest House Residential House Zastron – Rent R4000pm Vacant site Jeffreysbay – no income</b>
<b>Chief Financial Officer</b>	P.M. Dyonase	<b>Apex Engineering – No income Truworth Consulting – No income</b>
<b>Director Corporate Services</b>	L.V Nqoko-Rametse	<b>Sabbath Business Consultancy – no income</b>

<b>Disclosures of Financial Interests</b>		
<b>Period 1 July to 30 June of Year 2016/17</b>		
<b>Director Technical Services</b>	M.N. Tsoamotse	<b>Residential property Smithfield –no income</b>
<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>Variances 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.						T L

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

<b>SERVICE BACKLOGS: SCHOOLS AND CLINICS</b>				
<b>Establishments lacking basic services</b>	<b>Water</b>	<b>Sanitation</b>	<b>Electricity</b>	<b>Solid Waste Collection</b>
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:

<b>Town</b>	<b>No. of HH</b>	<b>No. of HH connected to the grid</b>	<b>No. of HH without electricity</b>
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.

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