

	J. Mokokoane S.I Rapudungwane T. Rabanye S.M Kalane M.P Dithebe				
Ward 9	Councilor J. Chele Ward Committee Members M.M Tshabalala M.E Machakela J.F Sibisi S.P Lebona R.A Molete M.S Tutubala N.A Rakoti T. Sitsholwana	Yes	6		6
Ward 10	Council E. Modise Ward Committee Members L. Thebe M.L Joto M.E Lekaota B. Mokhutli J.G Mekwa N. Maja P.M Motlogelwa L. Khama Z.E Mompe C. Seboko	Yes	6		6

The Municipality is committed to public engagement and participation in planning and decision-making processes. In this regard, it has established a broad spectrum of engagement and consultation programmes and platforms aimed at the various communities.

Ward committees have a crucial role of ensuring that community needs are reported to the municipality through the Office of the Speaker. The municipality is in full support of all ward committees and to sustain their existence as they serve as a point of contact between the municipality and the residents.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

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

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

- ✚ Risk management in Masilonyana local municipality assist the institution to perform risk assessment annually to determine and evaluate risk that can have negative impact on the institution towards their achievement of objectives.
- ✚ Risk management assist the municipality to perform annual risk assessment which is monitored on a quarterly basis.
- ✚ Risk management assist management to compile action plan with stipulates actions to improve and target dates for the implementation of the action plan.
- ✚ Risk management provide the facilities and create a conducive working environment in ensuring that everyone has the capacity and resources to carry out his or her risk management responsibilities.
- ✚ Risk management assists Masilonyana Local Municipality to establish a risk management committee that will evaluate the effectiveness of mitigating strategies to address the material risks of the Institution.

In terms of the Risk Management Strategy, Risk Management is not a stand-alone function, but is part of the strategic planning, business process and operational activities.

- ✚ Masilonyana Local Municipality established a risk management committee which meets on a quarterly basis to evaluate the capacity, efficient and effectiveness of risk management in the institution.
- ✚ The risk management committee assist in the development of strategic risk documents and recommends approval of the documents to senior management. The risk management committee also reports to audit committee which is an oversight committee appointed by council on issues of risk management and fraud.

Masilonyana Local Municipality managed to develop a risk management policy, risk management strategy, and risk management charter for two consecutive years (2014 -15 / 2015-16) since risk management was established and they were approved by council.

HEREUNDER IS A TABLE OF 5 TOP MUNICIPAL STRATEGIC RISKS.

RISK NO	DESCRIPTION OF RISK	ORIGINAL RESIDUAL RATING VALUE	FUTURE PLANS
1	Municipality depends on GRANTS	25	The municipality has developed a credit control policy and however it will be implemented in such a way that it will improve the revenue of the municipality.
2	Creditors not paid within 30 days	25	The municipality appointed a debtor collector that will assist the municipality in improving the revenue of the municipality
3	Low percentage on collection rate	25	The municipality will ensure that mistakes that occur in the billing system are corrected.

4	Lack of personnel	25	The vacant positions will be filled in 2016/17 financial year.
5	ICT disaster recovery site is not in place	25	The municipality has made budget allocation for ICT infrastructure for new financial year.

2.7 ANTI-CORRUPTION AND FRAUD

Masilonyana Local Municipality has developed a fraud prevention strategy and fraud response plan which were approved by council for 2015/16 financial year. The fraud risk assessment was conducted during 2015/16 financial year and fraud survey was developed as a tool to assess fraud risk in various directorates

Risk Management within the Municipality includes the following:

- ✦ Ensures that opportunities are not missed
- ✦ Provide with the framework on which the employees will utilise to implement risk management.
- ✦ Ensures that risk management activities are fully integrated into the planning, monitoring and reporting processes and into the daily management of program activities.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Supply Chain Management unit operates under direct supervision of the CFO. The SCM Practitioner reports to the CFO.

The SCM regulations stipulate the following:

- a) SCM regulation 6(2) (a) (i) - that the council of a municipality must maintain oversight over the implementation of its SCM policy. For the purpose of such oversight the accounting officer must within 30 days of each financial year submit a report on the implementation of the SCM policy of the municipality to the Council.
- b) SCM regulation 6(2) (3) – the Accounting Officer shall within 10 days after the end of each quarter submit implementation reports on SCM to the Mayor.

Adoption of SCM Policy

The SCM policy has been adopted by council and implemented.

Committee System for Competitive Bids

1. The following committees are required to be established in terms of the SCM guidelines:
 - Bid Specification Committee
 - Bid Evaluation Committee
 - Bid Adjudication Committee
2. The role, composition and key considerations of each committee are discussed in the following table:

COMMITTEE ROLE AND COMPOSITION KEY CONSIDERATIONS:

1. BID SPECIFICATION COMMITTEE (BSC)

ROLE:

- Must approve the specifications for the procurement of goods or services by the organization, determine BEE goals, the evaluation criteria and any special conditions of contract.
- Must decide on the panel that will be responsible for the adjudication of functionality of the bid. The panel must be notified up-front to ensure timeous assessment once the bid has closed.

Specifications

- Must be drafted in an unbiased manner to allow for potential suppliers to offer their goods and services;
- Must take into account accepted standards (SSA, ISO or other recognized accreditation) with which the equipment or material or workmanship should comply;
- Be described in terms of the performance required rather than in terms of descriptive characteristics for design; May not make reference to a particular
- Two or more officials of the organization (one being a SCM practitioner), and preferably including the manager responsible for the function involved.
- May, where appropriate, include external specialist advisors. trade-mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";
- Must indicate specific goal for which points must be awarded in terms of the points system set out in the Preferential Procurement Regulations;
- Must be approved by the AO, or duly delegated official, prior to publication of the invitation for bids.

BID SPECIFICATION COMMITTEE MEMBERS

MEMBER	DESIGNATION	ROLE
N. Mekane	Budget Manager	Chairperson
S. Zigade	Unit Manager: Brandfort	Member
A. Klaas	Housing & Property Manager	Member
G. Tjolo	HR. Manager	Member
T. Poonyane	Payroll Accountant	Member
M. Koaho	PMU Technician	Member

2. **BID EVALUATION COMMITTEE (BEC)**

ROLE:

Must evaluate bids received in accordance with the specifications and the points system (Preferential Procurement Regulations).

COMPOSITION:

Cross-functional team comprising at least one SCM practitioner and officials from the department requiring the goods and/or services.

PANEL:

A panel comprised of experts will evaluate the functionality portion of bids for the appointment of consultants.

In addition to the **specifications** and the **points scoring**, the BEC must assess:

- Each bidder's **ability to execute** the contract;
- Whether municipal rates and taxes and municipal service charges are not in arrears;
- Consult National Treasury's Register for **tender/bid defaulters** before making any recommendations.
- Check with NT's database that the recommended bidder is not prohibited/restricted from doing business with the public sector. (Verification will be sent within 2 days of forwarding the details of the contractor forestrictions@treasury.gov.za.)

- **Submit a report with recommendations** regarding the awarding of the bid or any other related matter to the Bid Adjudication Committee.

BID EVALUATION COMMITTEE MEMBERS

MEMBER	DESIGNATION	ROLE
E. Mahlalela	Unit Manager: Winburg	Chairperson
P. Melato	ICT Manager	Member
M. Tsoeu	Acquisition Officer	Member
K. Khumalo	IDP Manager	Member
D. Mota	Health & Safety Coordinator	Member

3. BID ADJUDICATION COMMITTEE (BAC)

ROLE:

Must consider the recommendations and reports from the Bid Evaluation Committee and either (depending on the official written delegations):

- make the final award;
- make a recommendation to the AO to make the final award; or
- make another recommendation to the AO on how to proceed with the relevant procurement

SPECIAL REQUIREMENTS:

Committee members must be appointed in writing by the AO indicating the term of appointment;

- Committee members should be familiar with and adhere to all SCM legislation, policy, guides, practice notes and circulars.
- All members must be cleared at the level of "Confidential" by the AO and should be required to declare their financial interest annually.
- Each member (and SCM/other officials involved) must sign a register of attendance as well as a declaration at each BAC meeting declaring that

The BAC must ensure that:

- All necessary bid documentation has been submitted;

- Disqualifications are justified and valid and accountable reasons/motivations were furnished for passing over of bids;
- Scoring has been fair, consistent and correctly calculated and applied;
- Bidders' declarations of interest have been taken into account;
- Any other relevant facts which could affect the awarding of a contract.

If the BAC decides to award a bid other than the one recommended by the BEC, the BAC must, prior to awarding the bid:

- Check whether the preferred bidder's municipal rates and taxes and service charges are not in arrears; and
- Notify the Accounting Officer.
- The AO or other official so delegated, may after due consideration of the reasons for the deviation, ratify or reject the decision of the BAC; and if the decision of the BAC is rejected, refer the decision of the BAC back to the committee for reconsideration. They will not make known any information flowing from the meeting and that they will not favour or prejudice anyone.
- Members are required to declare any gifts/ invitations from suppliers/potential suppliers, irrespective of the value.

COMPOSITION:

At least 4 senior managers which must include:

- The CFO, or where not available, another manager in the Budget & Treasury office reporting directly to the CFO and designated by the CFO;
- At least one senior SCM practitioner who is an official of the municipality or ME; and
- A technical expert in the relevant field who is a municipal official, if the municipality has such an expert.
- The AO must appoint the Chairperson.

QUORUM:

60% of members is required to be present to consider any reports or recommendations. If a bid other than the one recommended is approved, the AO must, in writing, within 10 working days, notify the Auditor-General, the relevant Provincial Treasury and National Treasury, and in the case of a municipal entity, the parent municipality, of the reasons for deviating from such a recommendation.

(NB! The above does not apply if a different bid was approved in order to rectify an irregularity).

The BAC also considers and rules on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts awarded.

PLEASE NOTE:

- Neither a member of a Bid Evaluation committee, nor an advisor or person assisting the Evaluation Committee may be a member of a Bid Adjudication Committee.
- The AO may at any stage of the bidding process, refer any recommendation made by the BEC or the BAC back to that committee for reconsideration of the recommendation.
- No municipal councilor or public sector official should be allowed to do business with the State.

BID ADJUDICATION COMMITTEE MEMBERS

MEMBER	DESIGNATION	ROLE
F. Mzizi	Chief Financial Officer	Chairperson
L. Mofokeng	SCM Practitioner	Member
F. Malatji	Acting Director: Technical Services	Member
E. Makhahlela	Director: Social Services	Member
E. Kaise	Legal Service Manager	Member

2.9 BY-LAWS

A by law is a law that is passed by the Council of a municipality to regulate the affairs and the services it provides within its area of jurisdiction.

By-laws revised	Date adopted	Public Participation Conducted Prior to adoption of policy
Standard Bed & Breakfast and Guesthouse	November 2014 – February 2015	March 2015
Standard Cemeteries and Crematoria		
Standard Control of Collections		
Standard Credit Control & Debt Collection		

Standard Electricity supply		
Standard Encroachment on Property		
Standard Indigent Support		
Standard Informal Settlement		
Standard Keeping of Animals, Poultry and Bees		
Standard Refuse Removal		
Standard Taxi Rank		
Standard Ward Committee		
Standard Air Quality Management	December 2015	August 2015
Standard Sports Facilities		
Standard District Environmental Management		
Standard Fire & Emergency Services		
Standard Environmental Health		
Standard Fresh Produce Markets		
Standard General Street		
Standard Libraries		
Standard Licensing of dogs		
Standard Numbering of buildings		
Standard Public Swimming Pool		
Standard Water restrictions		
Standard Storm Water		
Standard Public Amenities		
Naming and Renaming of the streets and public places		