

Draft Audited Annual Report
2015/2016 Financial Year

MASILONYANA LOCAL
MUNICIPALITY

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VISION, MISSION AND VALUES

VISION

To be an integrated, developmental and viable municipality

MISSION

Masilonyana Local Municipality is committed to effective and transparent governance by:

To be an integrated, safe and harmonious environment with effective service delivery to attract investors

- (a) Promoting economic development
- (b) Providing sustainable services , and
- (c) Improving the quality of life of all people

VALUES

- Democratic values
- Good governance
- Transparency
- Honesty
- Equity
- Commitment
- Accountability
- Professionalism

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

Since the successful 2011 Local Government Elections, which renewed the mandate of the ANC-led government in Masilonyana Local Municipality, we have sought to prioritize provision of basic services to our community, building on key policy frameworks & plans which laid a solid foundation upon which we could accelerate the delivery of services to our communities.



In a quest of doing that, the Council adopted the 2015/16 Integrated Development Plan (IDP) and the 2015/16 Medium Term Revenue and Expenditure Framework (MTREF) or Budget as well as the Service Delivery Budget and Implementation Plan (SDBIP) which were aligned to one another and responding to the Local Government Back to Basics. This annual report is presented mainly to assess and report back on our Municipality’s performance in making these themes a reality during the book year under review. In line with the ANC Local Government Manifesto Priorities, Masilonyana Local Municipality has made the following strides in an effort to deliver quality services to our communities:

- Building the local economy to create more employment and sustainable livelihoods.
- During the year under review the Municipality maintained its Regional Bulk Infrastructure Grant (RBIG) and Municipal Infrastructure Grant (MIG) spending, to fund service delivery projects such water, sanitation and roads infrastructure. All these projects resulted in the job creation within our communities.
- In addition we were able to create additional jobs through the Expanded Public Works Program (EPWP) and the Community Work Program (CWP).
- Furthermore in promoting local economic development we have held workshops to empower our people on the establishment of functional small businesses as well as the establishment of corporative.

During the year under review we have achieved the following:

- As Masilonyana Local Municipality we provided all households in formalized settlement with access to water, sanitation as well as access to electricity and waste removal. Continuously removed illegal dumping in all our wards;
- We are in the process of completing a construction Bulk Raw Water Pipeline to Brandfort & finalizing the planning stage for the construction of a Bulk Raw Water Pipeline to Winburg.

To ensure a proper use of resources, accountability and realization of service delivery objectives, the Municipality strengthened its governance structures by providing full support to committees such as Section 80 & Section 79 (Municipal Public Accounts Committee, Audit and Performance Audit Committee & Finance Committee) This commitment was undertaken to allow these committees to play their oversight role over municipal affairs and deal appropriately with specific issues of priority for the overall development of the Municipality.

Although the municipality has sustained a qualified audit opinion for the year under review, we have managed to reduce matters of emphasis and will work on our asset register to ensure that we improve our audit opinion to clean audit.

This 2015/16 annual report gives an account of activities undertaken in the year under review and we hope that you will enjoy reading it as much as we have enjoyed putting it together. We will endeavour to deliver quality services to our communities and continue to abide by our values and mission.

(Signed by :) _____

**CLLR. K.S KOALANE
MAYOR
MASILONYANA LOCAL MUNICIPALITY**

1.1. MUNICIPAL MANAGER'S OVERVIEW

Honorable Mayor, It is a great pleasure to present to the Masilonyana Municipal Council the annual report for the 2015/16 to reflect on our endeavors and achievements since the last reporting period, it also provides an opportunity to account in detail on our performance as the municipality against the strategic plans and resources that were at our disposal for the 2015/16 financial year in compliance with provisions of section 46 of the Municipal Systems Act 2000 prescribes the minimum contents of an annual report for the municipality.

In 2015/16 financial year, the municipality made a recommendable positive progress in developing the IDP within the approved IDP process plan and engaged in a ward based consultation process made during public participation meetings. Among our challenges despite our reliance on grants due to the demographical information, the Municipality managed to rise to the challenges by fulfilling its constitutional obligations. The Municipality is able to meet the service delivery requirement and implement the capital projects that have enormous impact in our community.

At the State of the Provincial Address of 2015 the Premier Mr Ace Magashule declared drought as a disaster in the Free State. The Municipality has taken an action to mitigate against drought by implementing emergency projects such as Theunissen refurbishment of concrete tower completed, Brandfort borehole rehabilitation also completed and provision of water tanks to all the five (5) towns of the Municipality.

The Capital Projects such as upgrading of waste water treatment plant in Makeleketla, replacing of asbestos air valves in Brandfort, construction of sports complex in Makeleketla and construction of reservoir in Soutpan has been completed and these projects that are still under construction are over 95 % to completion. Over and above that other projects such as Construction 1,5km block paving in Masilo and 3,5 storm water has been implemented.

Basic Service Delivery:

The Municipality is doing well with regard to access to water and electricity while refuse removal and sanitation remains below the national target as set by government. According to Census 2011, 28,90% of the Masilonyana population had access to piped water inside the dwelling and yard. 70,50% of the households within the Municipality have access to flush toilets connected to sewerage, 53,90% of weekly refuse removal while 16.1% is still using the bucket system. During the year under review our households used 93,20% of electricity for lighting and cooking.

It is therefore with great pride to highlight the effort taken by the municipality to ensure that this 2015/2016 IDP; NDP and Budget reflects an alignment of these collective blueprints. We are confident that through the Integrated Development Plan the municipality will be in a position to deliver services in line with constitutional mandates and priorities of vision 2030.

During the period under review the Municipality provided free basic services such as water, refuse removal and sanitation to 3716 registered indigents and free electricity is provided to 2041 registered indigents due to Eskom being a supplier in the townships. The Municipality is providing 6kl of water to indigent households, 50 kWh electricity, R50.00 subsidy on assessment rates, free sanitation and refuse removal per month.

The main challenge faced by the Municipality with regard to provision of basic services to the community during the period under review was a lack of adequate funding for bulk infrastructure which in fact is further exacerbated by high unemployment rate that results in a low municipal tax base, hence our reliance on grant funding.

To improve our overall efficiency and effectiveness on municipal activities we have bound every departmental head in the municipality to specific targets that when met, will enable us to address the said backlogs and these include among others, the requirement to source funding outside the normal channels and investigating alternative funding models for provision of these services to communities in their 2016/17 Performance Plans.

The departmental Head's performance plans for 2016/17 financial year are aligned with the municipal Budget, Integrated Development Plan performance indicators, municipal strategic planning report & action plan and which contains Council priorities.

Financial Viability:

The Municipality financial year under review was a difficult period for the municipality in that the recovery of debtors deteriorated and the cash flow throughout the period was under pressure as a result of the following, litigations against the municipality. The other reasons relating to cash flow deteriorating was as a result of the Valuation Roll that was implemented in the financial year under review, with property values increased that has increased 3 times as compared to the previous years. The municipality envisages through the implementation of revenue enhancement strategy to improve credit control by appointing a service provider for debt collection on debts owing over 90 days. The Municipality also conducted a campaign during this period under review on registering indigents in all Municipal Units. The appointment was made during the course of December 2015. It envisaged that revenue collection will improve in the first quarter of 2016/2017.

The municipality has been working collectively in order to ensure that approved Audit Action Plans are implemented effectively through monthly meetings held by staff and management in addressing issues raised by the Auditor General.

Corporate Governance

During the 2015/16 the Municipal Council reviewed and approved a number of policy documents to ensure compliance and alignment to king three reports.

Supply Chain Management Bid Committees since been established are fully operational.

The Audit and Performance Committee is in existence and operational, the Committee is sitting as per schedule and internal controls are monitored.

The Municipal Public Account Committee (MPAC) is functional in terms of section 33 and section 79 of Municipal Structures Act(no 117 of 1998).

Local Economic Development

The municipality is in the process of reviewing the LED strategy. The LED unit is in process of compilation of inputs from different stakeholders. There are number of jobs created through Municipality LED initiatives based on projects and programmes outlined in the IDP and MTAS, 11 SMME's and Cooperatives were trained through facilitation of SEDA as part of intervention on the basis of capacitating our SMME's and 3 SMME's were appointed for a 3 year contract to supply goods and services to the Municipality.

The business community, mining houses in particular, have a relationship with the municipality. There were trainings conducted by Business today which was funded by Harmony Goldmine and also the mine assisted with projects of refurbishment of Sechaba Lesimola Business Hive. The other project is Building of 17 Houses funded by Sibanye Goldmine to its employees in Masilo.

Council has appointed the Municipal Tribunal Committee and is in process of appointing a service provider for development of Spatial Development framework (SDF) to ensure the alignment with Spatial Planning and Land use Management Act (SPLUMA).

Good governance and Public participation

The council meetings are held in accordance with the council schedule and the level of commitment of councilors is unquestionable high. The section 79 and 80 committees are in existence and operational. It must be noted that the ward committees are also in existence and operational.

Mr. D Nthau

Municipal Manager

Geography, History and Economy

Area: 6 796km²

Masilonyana Local Municipality is situated between the province's biggest municipality (Mangaung Metropolitan Municipality in the south) and the second-biggest municipality (Matjhabeng Local Municipality in the north). The former administration of the following greater Transitional Local Councils: Theunissen, Brandfort, Winburg, Soutpan and Verkeerdevlei, were amalgamated into the local municipality of Masilonyana. It is an impoverished semi-urban area with a high unemployment rate. The municipality prides itself on its tourist destinations, such as the Florisbad National Quaternary Research Station. This is where the first human skull was discovered. There are also cooperatives in Soutpan working on the salt lakes to produce salt.

The municipality plays host to two toll plazas on two major roads in the province; the Verkeerdevlei Plaza on the N1 is the last before entering Bloemfontein from the north, and the Brandfort Plaza on the former R30 (now ZR Mahabane Road) is situated between Brandfort and Bloemfontein. Brandfort is also known for its rich political history, which includes the National Military Museum on a farm that used to be a concentration camp during the Anglo-Boer War and the Winnie Mandela House, where Mandela was sentenced to House Arrest during the State of Emergency in the 1980s. Theunissen is also situated on the ZR Mahabane Corridor between Bloemfontein and Welkom, and hosts the three mines within the municipal jurisdiction. Winburg has economic potential because of its location, which is 100km west of Bloemfontein, and its linking of Bloemfontein with Johannesburg, Cape Town and Durban. It prides itself with the Voortrekker Monument as its Heritage Site, and Masilonyana boasts several game reserves across all its towns.

Towns: Brandfort, Soutpan, Theunissen, Verkeerdevlei, Winburg

Main Economic Sectors: Agriculture, Mining, Community Services

DEMOGRAPHICS

Population	63 334
Age Structure	
Population under 15	29.80%
Population 15 to 64	64.40%
Population over 65	5.80%
Dependency Ratio	
Per 100 (15-64)	55.30
Sex Ratio	
Males per 100 females	101.90
Population Growth	
Per annum	-0.17%
Labour Market	
Unemployment rate (official)	38.80%
Youth unemployment rate (official) 15-34	49.80%
Education (aged 20 +)	
No schooling	
Higher education	4.50%
Matric	23.10%
Household Dynamics	
Households	17 575
Average household size	3.30
Female headed households	42.70%
Formal dwellings	82.90%
Housing owned	
Household Services	
Flush toilet connected to sewerage	70.50%
Weekly refuse removal	53.90%
Piped water inside dwelling	28.90%
Electricity for lighting	

Source: Census 2011 Municipal Fact Sheet, published by Statistics South Africa

MUNICIPAL FUNCTIONS

A municipality has executive authority in respect of, and has the right to administer

- a. the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
- b. any other matter assigned to it by national or provincial legislation.

A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.

Subject to section 151(4), a by-law that conflicts with national or provincial legislation is invalid. If there is a conflict between a by-law and national or provincial legislation that is inoperative because of a conflict referred to in section 149, the by-law must be regarded as valid for as long as that legislation is inoperative.

The national government and provincial governments must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 which necessarily relates to local government, if

- c. that matter would most effectively be administered locally; and
- d. the municipality has the capacity to administer it.

A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

LOCAL MUNICIPAL PROFILE

SERVICE DELIVERY OVERVIEW

Ward	Households	Formal Dwellings (%)	Telephone at Home (%)	Electricity (%)	Sanitation (%)	Piped Water to Dwelling (%)
1	1394	40.3	9.0	73.2	2.5	58.4
2	1897	77.4	35.5	78.4	38.7	43.0
3	1693	56.9	13.9	67.6	6.7	23.2
4	1251	65.1	38.5	91.3	34.2	44.9
5	682	35.9	7.6	51.9	28.9	22.4
6	1344	63.0	26.6	68.9	26.0	65.7
7	1565	72.9	18.0	81.9	26.7	22.0
8	1299	7.9	0.0	74.7	0.3	26.1
9	1764	47.8	15.6	60.0	28.1	31.7

Statistics South Africa Household Services, Geography by Source of water for Household weighted 2011

Statistics South Africa Household Services ,Geography by Source of water for Household weighted 2011									
W/D	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Springs	Rain water tank	Dam/pool /stagnant water	River/ stream	Water vendor	Water tanker	Other
1	1274	14	1	10	27	1	15	8	7
2	1806	333	1	11	12	4	17	72	30
3	1430	457	5	9	17	-	2	50	8
4	1238	94	-	-	-	-	1	1	70
5	2569	112	-	11	1	1	1	7	59
6	513	185	-	3	2	1	-	3	12
7	2050	4	-	-	37	-	-	9	19
8	1177	-	-	-	1	-	1	4	19
9	2239	38	-	7	2	1	5	8	67
10	1333	5	6	-	1	-	2	5	26

1.3. SERVICE DELIVERY OVERVIEW

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1) (b) and 153(b) of the Constitution.

The municipality is continuously making strides to ensure that services are continuously provided to the communities. Free Basic services contribute access to water, refuse, sanitation and electricity. The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households. On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. The municipality subsidises the household with an income of R2 500 and less.

The Customer Care Unit in the municipality embarked on a Programme for Indigent Support and Indigent Renewals Registrations for all Masilonyana Units. This programme was supposed to have ended on the 26/02/2016 but was extended until 11/03/2016 because of poor turn up. It is believed that this poor turn up was because of the clashing of our Indigent programme and the ANC's Ward Councilors Mass Meetings Nominations.

An Indigent register was issued to all Councilors, CDW's & Ward Committee Members per wards before the 31/03/2016 for them to verify if all customers who are registered as Indigents really qualify as such or not and must indicate to the municipality those who do not qualify as indigents so that they can be removed from getting indigent subsidy. New registrations made amount to 796 people.

1.3.1 ELECTRICITY SERVICES

The municipality supplies electricity to all municipal towns which is Theunissen, Brandfort, Winburg, Verkeedevlei and Soutpan. The municipality supply all these towns with electricity except. Each town has got a location namely Masilo, Majwemasweu, Makeleketla, Tshepong and Ikgomotseng. Eskom supplies the locations and Soutpan with electricity. All the Street lights and High mast lights are maintained by the municipality.

In all three towns there are Eskom main sub stations except Verkeerdevelei. A sub station's work is to step down the 132 kv (supplied to it) to 11kv, by the main transformer. The 11kv will then be supplied to all minisubs in town. A sub station consists of electrical componets such as voltage transformer, current transformer, AC/DC panel, busbars, main transformer, etc. Brandfort, Theunissen and Winburg have 132 kv sub stations because they carry too much load. Verkeerdevelei is supplied by 22 kv medium voltage lines. It only has two 315 kva transformers. It doesn't have too much load. The municipality's main sub stations only has main circuit breakers. They need refurbishment (i.e panels, bulkmeter, another C/B)

The municipality developed and submitted business plans for all towns to source funding from Department of energy for refurbishment of electrical components. However no funding has been granted on these plans.

1.3.2 WATER SERVICE

The municipality continues to make strides to ensure that water is provided in all households. Due to the drought experienced in the country the municipality is experiencing a massive challenge in water supply, but strides were put in place.

The Department of water and sanitation has provided the municipality with 2 X 20 000 liters water tankers to supply water in communities especially the clinics and schools and also the high line areas.

Water restrictions were issued throughout the municipality from 18H00 to 06H00 in order to cater for communities who are living in the high line areas.

The strategic approach to the provision of water services is contained in the Infrastructure Master Plan as developed by the municipality during 2014 and approved by Council. The Bulk Water Supply Plan for all towns is contained in this Water Master Plan.

All planning culminates in the Three-year Capital Budget Programme, which speaks to the delivery of water services to meet domestic water needs, especially of the poor, and commercial/industrial water demands.

The municipality will continue to curb the water losses that is being experienced and unaccounted. Strict measures are continously enforced to deal with water wastage.

1.4. FINANCIAL HEALTH OVERVIEW

The financial year under review was a difficult period for the municipality in that the recovery of debtors deteriorated and the cash flow throughout the period was under pressure as a result of the following, litigations against the municipality, the judgments that was passed only in the financial year under review (2015/2016) on the matter that had occurred in at Verkeerdevlei 2011/2012. The municipality was sued for damages as a result of the fire wherein a total number of 12 farms were affected. The decision made by the court was that the municipality must carry the cost of R 6 304 878 including costs for damages. The other reasons relating to cash flow deteriorating was as a result of the Valuation Roll that was implemented in the financial year under review, with property values increased that has increased 3 times as compared to the previous years. Despite all cash flow challenges raised above, and the municipality having arrear creditors, the municipality managed to enter into payments arrangements with its creditors, which includes the bulk supplier of electricity and water, and fleet services

The challenges with regards to the recovery of debtors necessitated that the municipality put in place a strategy to address the deterioration of debtors not paying their municipal accounts. This was done in terms of a Revenue Enhancement Strategy, one of the pillars of the Strategy amongst others, is the improvement of Credit Control and review of organizational structure of Finance Department in particular. The municipality also managed to appoint a service provider for debt collection on debts owing over 90 days. The appointment was made during the course of December 2015. It envisaged that revenue collection will improve in the first quarter of 2016/2017.

The municipality maintained a reasonable healthy cash flow situation in the previous financial year 2014/2015. However this cannot be said in the financial year under review for the above stipulated reason. Management is certain that the municipality would still be able to operate into the foreseeable future and as a result the going concern assumption would not be affected. The Statement of Financial Position at 30 June 2016 indicates an increase in Net Assets, and a slight increase in Current Liabilities and a decrease in Non-current Liabilities. These Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) including any interpretations, guidelines and directives issued by the Accounting Standard Board. The increase in Net Assets is ascribed primarily to the increase in Accumulated Surplus as a result of the surplus generated on the operating account. The decrease in Non-current Liabilities is primarily as a result of the decreases in Retirement Benefit Liabilities and Long-service Benefits and Financial liability. The increase in Current Liabilities is primarily as a result of the increase in Creditors and Finance lease obligation and Vat payable.

Financial Overview: 2015/2016			
Details	Original Budget	Adjustment Budget	Actual
Income:			

Grants	117 393 000	126 293 583	155 631 208
Taxes, Levies and tariffs	101 308 000.00	126 236 000.00	111 667 298
Other	20 155 000	11 964 000.00	8 959 161
Sub total	230 295 000	264 493 583	276 257 667
Less: Expenditure	243 903 000.00	242 186 000.00	276 054 876
Net total	-13 608 000	22 307 583	202 791
Note: surplus/ deficit	-13 608 000	22 307 583	202 791

Financial Ratios	
Detail	%
Employee Cost	40%
Repairs and Maintenance	4%
Finance Charges & Impairment	4%
Liquidity ratio	0.1
Debt ratio	1:4

The top table on financial ratios depict that the assets of the municipality are more than its liability, which can be used as security or to pay off its debts in future uncertain economic times. The municipality is not financial sustainable, in terms of the liquidity ratio, this means that the municipality maintains low cash-flow and is unable to pay meet its obligation. Challenges relating this matter are as result of over indebtedness of creditors. Although there is a significant increase from prior- year on Repairs and Maintenance of the municipality, there is still insufficient monies spent on ageing infrastructure assets. This cannot be afforded as the repairs and maintenance is funded internally and looking at the liquidity ratio, the municipality is not financial sustainable, this means there is still a lot that the municipality needs to do to improve its cash and enhance revenue collection.

Total Capital Expenditure: Year -2 to Year 0			
Detail	2013/14	2014/15	2015/16
Original Budget	59 856 229.00	73 743 000.00	33 790 000.00
Adjustment Budget	59 856 229.00	73 743 000.00	44 479 000.00
Actual	59 856 229.00	73 250 745	37 449 045.00

During 2013/14 and 2014/15 the municipality budgeted for RBIG and MIG and spent 100% and 99% respectively. In the 2015/16 the Municipality had budgeted for MIG and ACIP, ACIP spent 100% and MIG spent 68% of the budgeted due to cashflow problems.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipality had a total workforce of 511 permanent and as at 30 June 2016. Critical vacancies that relate to Senior Managers still served as a challenge to the Municipality. The

following vacancies were not filled: Director Infrastructure and Technical Services, Director Corporate Services and Director Integrated Planning. However the municipality made strides in ensuring that there is an acting person in Infrastructure and Technical Services Department.

The Directorate Corporate Services is responsible for support services which include the Secretariat, Typing Services, Interpreter, Archives, Switchboard, Cleaning, Legal, Human Resources, Skills Development, Administration and Council Support. The department also deals with issues such as training, recruitment and skills development of employees.

Employees participated in different learning programmes and interventions during the 2015/16 financial year in terms of the Workplace Skills Plan submitted to LGSETA. Graduates and experiential learners received training in various fields (on the job training).

The Municipality also made tremendous strides in improving organizational performance since the history of the municipality. During 2015/2016 financial year, Masilonyana Municipality reviewed its IDP. A Process Plan, paving the way for ensuring an inclusive and comprehensive IDP process and culminated in the adoption of the 2015/16 (Revised) IDP during May 2016. The process was also marked by a renewed commitment to ensuring that the organisational structure, human resources, skills and capacity entrenched in its officials and councillors all contribute immensely to the successful execution of the municipal strategy.

The Municipality also reviewed and approved its Organogram during 30 June 2016. This will ensure successful filling of critical position across the municipality.

Information pending

Auditor General

Bloemfontein



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
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1.	Municipality submits draft Annual Report including consolidated Annual Financial Statements and performance report to Auditor General	August
2.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance Data	September / October
3.	Municipality receives and starts to address the Auditor General's comments	November
4.	Mayor tables Annual Report and audited Financial Statements to Council, complete with the Auditor General's Report	January
5.	Audited Annual Report is made public and comment is invited	January / February
6.	Oversight Committee assesses Annual Report	February
7.	Council adopts Oversight Report	March
8.	Oversight report is submitted to Free State Provincial Government and other relevant stakeholders	March/April

COMMENT ON THE ANNUAL REPORT PROCESS

The Masilonyana Municipality has prepared the Annual Report in the new format prescribed by the National Treasury for annual reporting. The format has been adapted, where necessary, in line with the Municipality's organisational structure. The municipality also complied with the requirements of MFMA Circular 63 of the Annual Report template.

The objective remains to shorten the present cycle and complete it within six months of the end of the financial year to ensure that information that is given in the Annual Report is more topical and useful.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance is enhanced by an effective interface between political office bearers, political structures, Councilors and officials. The delegation of appropriate powers to achieve and exercise all the powers relating to the performance on all the functions of the Municipality also displays good governance. Chapter 2 of this Annual Report integrates five pillars of good governance applicable in the Municipality.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution states that the Council of a Municipality has the right to govern, on its own initiative, the local government affairs of the local community.

At the Masilonyana Local Municipality a clear distinction is made between the politically elected structure, namely Council, which is responsible for the oversight and legislative function of the Municipality, and the Administration.

The Council is chaired by the Speaker. The executive is headed by the Mayor with an Executive Committee of four (4) members. The Mayor is a full time Mayor and the other 3 Councilors are part time Councilors. The Speaker, who is a full time Speaker is involved in the day-to day running of Council from the political perspective.

The Administration is headed by the Municipal Manager, who is also the organization's Accounting Officer. Powers have been delegated to the different functions within the organization to ensure that roles, responsibilities and decision-making powers are clear and unambiguous.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and in the various social programmes in the municipal area.

Council is also the principal political structure and the ultimate decision maker of the Municipality. The Speaker also carries out the duties of Chairperson of the Municipal Council under the Municipal Structures and Systems Act, enforces the Code of Conduct and exercises delegated authority in terms of the Municipal Systems Act.

The Mayoral Committee of Masilonyana Local Municipality comprised of four (4) Councilors and is chaired by the Mayor.

Political Parties in the Council comprise of the African National Congress, Democratic Alliance, Congress of the People and Vryheid front plus.

POLITICAL STRUCTURE

MAYOR

Cllr KS Koalane –

The Mayor presides at the meetings of the Executive Committee. She performs duties and functions including any ceremonial functions, and exercise powers delegated to the Mayor by Council or the Executive Committee.

SPEAKER

Cllr S.J. Mabitla –

Presides at Council meetings and performs duties and exercises powers delegated to the Speaker in terms of section 59 of Local Government: Municipal Systems Act, Act 32 of 2000.

CHIEF WHIP

EXECUTIVE COMMITTEE

The Mayor of the Municipality, KS Koalane, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor and Mayoral Committee are acting in concert with one another.

The following are Executive Committee Members

- Cllr. K.S. Koalane
- Cllr. D.E. Modise
- Cllr. P.T Botha
- Cllr. M.B. Tsoaela

Masilonyana Local Municipality is a Collective Executive Committee System and it consists of the Council, which is the highest decision making body and it meets quarterly with the Executive Committee meeting also meeting quarterly. Masilonyana Local Council is constituted of 20 Councillors (i.e. 10 ward councillors and 10 Proportional Representative Councillors). The names of Councillors and constituencies are summarized below:

COUNCILLORS

Below is a table that categorized the councillors within their specific political parties and wards:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Cllr. Z.P Thuthani	Part time	ANC	1
Cllr. M.L Moleele	Part time	ANC	2
Cllr. V.M Lekale	Part time	ANC	3
Cllr. K.A Sekharume	Part time	ANC	4
Cllr. M.B Tsoaela	Part time	ANC	5
Cllr. X. Nqwiliso	Part time	ANC	6
Cllr. S.C Mangoejane	Part time	ANC	7
Cllr. T.P Ramongalo	Part time	ANC	8
Cllr. T.J Chele	Part time	ANC	9
Cllr. D.E Modise	Part time	ANC	10
Cllr. K.S Koalane	Full time	ANC	All wards
Cllr. S.J Mabitle	Full time	ANC	All wards
Cllr. S.L Kgoe	Part time	ANC	8
Cllr. N.G Mafa	Part time	ANC	2
Cllr. M. Venter	Part time	DA	1
Cllr. M.M Kholumo	Part time	ANC	7
Cllr. K.P Dichakane	Part time	ANC	10
Cllr. J.A Pienaar	Part time	VF	
Cllr. P.T Botha	Part time	DA	6
Cllr. I.I Majara	Part time	COPE	3

POLITICAL DECISION-TAKING

The Council of Masilonyana Local Municipality is the highest decision-making authority in the institution. It guides and instructs the administrative component, which implements the decisions taken by the political component through resolution implementation process.

Decisions are taken through Council resolutions. The Executive committee discusses issues before they can recommend to Council. The Mayor after some careful considerations then

recommends to Council for final approval. The resolution are then formulated and distributed to relevant Clusters for implementation.

Other Council governance structures

Audit and Performance Committee

The Municipality has a functional Performance Audit Committee in place, guided by an Audit Committee Charter. The members of the committee are all external individuals and advise council on matters relating to governance and compliance issues quarterly.

Municipal Public Accounts Committee

The municipal council has appointed Municipal Public Account Committee to handle matters of oversight and other municipal operations. For the period reporting, the committee conducted MPAC meetings to scrutinise and advise Council on the Annual Report. Cllr. NG. Mafa is the chairperson of the MPAC.

Section 80 Committees

The portfolio committees were established in terms of Section 80 of the Municipal Structures Act to support Council in discharging its executive mandate. The following is the Section 80 committees.

- Finance
- Corporate
- Infrastructure
- Social and Community Services

Rules Committee

The role of the Rules Committee is to investigate and make findings on any alleged breaches of the Code of Conduct, including sanctions for non-attendance at meetings and to make recommendations regarding any other matter concerning the Rules and Orders.

2.2 ADMINISTRATIVE GOVERNANCE

Section 60 (b) of the Municipal Finance Management Act states that the Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures, political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

Mr. D. Nthau -

The Directorate is responsible for Strategic support, Performance Management System, Integrated Development, Local Economic Development, Internal Audit and Risk Management

CHIEF FINANCIAL OFFICER

Ms. F. Mzizi -

The Directorate is responsible for Financial Administration, Budget, Income, Asset Management, Expenditure and Supply Chain Management

DIRECTOR SOCIAL AND COMMUNITY SERVICES

Ms. E. Makgahlela -

The Directorate is responsible for the provision of Waste Management, Disaster Management, Human Settlements, Parks and Recreational Facilities, Town Planning and Building Maintenance.

ACTING DIRECTORS INFRASTRUCTURE AND TECHNICAL SERVICES

Mr. F. Malatji

The Directorate is responsible for Planning and Support Services (MIG projects), Roads and Stormwater, Electricity maintenance, Provision of water and sanitation

DIRECTOR CORPORATE SERVICES - VACANT

The Directorate is responsible for support services which include the Secretariat, Typing Services, Interpreter, Archives, Switchboard, Cleaning, Human Resources, Skills Development, Administration, Council Support

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The concept of an intergovernmental system is based on the principle of cooperative governance between the three spheres of government local, provincial and national. While the responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres. The Municipality is co-operating with various departments at national, provincial and district levels.

Intergovernmental relations are intended to promote and facilitate cooperative decision making and to ensure that policies and activities across all spheres of government encourage service delivery and meet the needs of citizens in an effective way also to assist in curbing the duplication of various resources.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Masilonyana Local Municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the Municipality maintains good co-operative and intergovernmental relations with its district and neighboring municipalities, provincial authority, national government and intergovernmental agencies.

INTERGOVERNMENTAL RELATIONS FORUMS		
Forum	Frequency	Directorate
MIG (Municipal Infrastructure Grant) National Forum	Quarterly	Infrastructure & Technical Services
Salga Working Group	Once	Municipal Managers Office

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Masilonyana Local Municipality actively participates in various Intergovernmental Relations activities in the province. The Municipality delegates officials and Councilors to the following forums:

INTERGOVERNMENTAL RELATIONS FORUMS		
Forum	Frequency	Directorate
PMS Provincial Forum	Once every Quarter	MM'S Office
IDP Provincial Forum	Once every Quarter	MM'S Office

Electrical NERSA	Annually	Infrastructure & Technical Services
Sandvet Water Forum	Once every Quarter	Infrastructure & Technical Services
HR Practitioners Provincial Forum	Once a month	Labour Relations Practitioner
HR Working Group Provincial Forum	Once a Quarter	Labour Relations Practitioner
Water Service Forum	Once a Quarter	Mayor's Office
AIDS Provincial Forum	Once a Quarter	Mayor's Office
Men's Forum	Once a Quarter	Mayor's Office
PCF – Provincial Communications Forum	Quarterly	Mayor's Office
Provincial Treasury Forums	Quarterly	MM's Office
Provincial Waste Management Officers Forum	Quarterly	Infrastructure and Technical Services
Disaster Management Provincial Strategic Task Team	Quarterly	Social and Community Services

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Masilonyana Local Municipality actively participates in various Intergovernmental Relations activities in the District. The Municipality delegates officials and Councilors to the following forums:

INTERGOVERNMENTAL RELATIONS FORUMS

Forum	Frequency	Directorate
PMS District Forum	Once every Quarter	MM'S Office
IDP District Forum	Once every Quarter	MM'S Office
Electrical (INEP)	Monthly	Technical & Infrastructure Services
Roads RRAMS Forum	Monthly	Technical & Infrastructure Services
Basic Service Delivery Forum	Once a Quarter	Technical & Infrastructure Services
District Job Evaluation Committee	Once a month	Labour Relations Practitioner
AIDS District Forum	Quarterly	Mayor's Office
Men's District Forum	Quarterly	Mayor's Office
DCF – District Communications Forum	Quarterly	Mayor's Office
Lejweleputswa District Forums	Quarterly	MM's Office (Internal Audit)
Institute of Internal Auditors Conference	Once a year	MM's Office (Internal Audit)
District Waste Management Officers Forum	Quarterly	Infrastructure and Technical Services
Disaster Management Advisory Forum	Quarterly	Infrastructure and Technical Services

Disaster Management Drought Task Team	Quarterly	Infrastructure and Technical Services
Disaster Management Ward Emergency Plan	Quarterly	Infrastructure and Technical Services

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Masilonyana Municipality does not have any municipal entities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 28 (3) and 21 of the Municipal Systems Act, 2000 (Act 32 of 2000) as well as Section 21 (1) (a) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that all community members take part in IDP and Budget Public Participation Meetings.

The Act also requires that a process be followed on the preparation and finalization of the IDP to have mechanisms and procedures for public participation and stakeholder involvement. It stipulates that the community should be consulted with regard to their developmental needs and priorities. In compliance with the Act, Masilonyana Local Municipality has developed an IDP process plan which outlines the process that should be followed when reviewing the IDP annually.

In light of the above, Public Participation is regarded as main vehicle through which the Municipality practice a culture of stakeholder engagement and participation as required by legislation.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The IDP/PMS and budget consultative meetings are held as stipulated by law through different platforms and they are inclusive of departmental meetings, sectional meetings, ward and mass meetings. All these meetings are held on scheduled dates and communicated to the public. The communication methods used were as follows:

- Advertisements in local newspapers.
- Posters.
- Municipal notice boards
- Loud hailing
- Ward Committee meetings

The IDP/PMS and Budget public engagement sessions were generally well attended although the attendance was lower than expected in some wards.

The Council interacts with its stakeholders by means of ward committees, budget and Integrated Development Planning (IDP) and PMS meetings. Public and stakeholder engagements are an ongoing process throughout the year. The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and in their local languages.

This also ensures meaningful and constructive participation. All documents that are required to be made public in terms of the Municipal Systems Act (MSA) are placed on the municipal website.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

The public is updated through public meetings of municipal processes such as the IDP/PMS and the budgeting processes. In this way they are also enabled to participate in them. The public meetings provide an effective platform to communicate service delivery issues and changes that directly affect the public, such as the tariff increases. Through these meetings, the Municipality is then placed in a position to identify gaps and issues which frustrate the public so that it can improve on them. The meetings also serve to identify the areas in which it does well.

FUNCTIONALITY OF WARD COMMITTEES					
WARD NAME & NUMBER	NAME OF WARD COUNCILLOR AND ELECTED WARD COMMITTEE MEMBERS	COMMITTEE ESTABLISHED (YES / NO)	NUMBER OF MONTHLY COMMITTEE MEETINGS HELD DURING THE YEAR	NUMBER OF MONTHLY REPORTS SUBMITTED TO SPEAKERS OFFICE ON TIME	NUMBER OF QUARTERLY PUBLIC WARD MEETINGS HELD DURING YEAR
Ward 1	Councillor P. Thuthani Ward Committee Members M. Thoahlaka M.A Motaung R.T Lebeko T. Moahi M. Lipholo P.K.N Ndebela P. Mkhumbeni M.L Nogwanya N.P Nkopane	Yes	6		6

Ward 2	<p>Councilor</p> <p>M.L Moloeele</p> <p>Ward Committee Members</p> <p>S.M Phara</p> <p>M. Klaas</p> <p>M. Molapo</p> <p>M. Boleme</p> <p>J.M Molete</p> <p>R.L Ramothamo</p> <p>S.C Mokoaledi</p> <p>P. Mphirime</p> <p>J.T Daniels</p>	Yes	6		6
Ward 3	<p>Councilor</p> <p>V. Lekale</p> <p>Ward Committee Members</p> <p>M.W Moroane</p> <p>J. Jantjie</p> <p>A. Kriel</p> <p>J.S Swart</p> <p>M.M Mphambo</p> <p>Z.W Siko</p> <p>M.E Makoaba</p> <p>B.E Tshandu</p> <p>M.L Sehole</p> <p>M.M Padi</p>	Yes	6		6
Ward 4	<p>Councilor</p> <p>K. Sekharume</p> <p>Ward Committee Members</p> <p>R.J Mathobisa</p>	Yes	6		6

	M.J Nthene M.R Dipitso L.M Kholumo E.M Sondag M.J Lekitlane T.G Sekele T.O Mohapi A.E Thesner E. Du Toit				
Ward 5	Councilor M. Tsoaela Ward Committee Members N.V Ledimo S. Ramatsa M.R Lekale/Mokhethi M.E Pitso F. Lesebo E. Molete S. Bore K. Motinyane M. Khelimithi M. Pule	Yes	6		6
Ward 6	Councilor X. Nqwiliso Ward Committee Members M. Visser A.J.P Mapela V.R Matsunyane W. Potgieter Z. Ntamo	Yes	6		6

	A.P Hlatsi E. Maikhosho E. Makhendlana T. Bozini				
Ward 7	Councilor C. Mangoejane Ward Committee Members B. Phera G.M Kholong S.G Manesa K.A Moticoe Z.M Mokobori D. Khesa K.G Moshodi M. Makau P.M Phalatse S.S Manesa	Yes	6		6
Ward 8	Councilor T. Ramongalo Ward Committee Members R. Sani C. Xaba M.K Kote M. Mphaphathi J. Mokokoane S.I Rapudungwane T. Rabanye S.M Kalane M.P Dithebe	Yes	6		6

Ward 9	<p>Councilor</p> <p>J. Chele</p> <p>Ward Committee Members</p> <p>M.M Tshabalala</p> <p>M.E Machakela</p> <p>J.F Sibisi</p> <p>S.P Lebona</p> <p>R.A Molete</p> <p>M.S Tutubala</p> <p>N.A Rakoti</p> <p>T. Sitsholwana</p>	Yes	6		6
Ward 10	<p>Council</p> <p>E. Modise</p> <p>Ward Committee Members</p> <p>L. Thebe</p> <p>M.L Joto</p> <p>M.E Lekaota</p> <p>B. Mokhutli</p> <p>J.G Mekwa</p> <p>N. Maja</p> <p>P.M Motlogelwa</p> <p>L. Khama</p> <p>Z.E Mompe</p> <p>C. Seboko</p>	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 torestrictions@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 policy		
SPLUMA by-law		

Public participation meetings are held on every new or revised by-law to provide interested parties with the opportunity to comment on the by-law before it is finalised. The meetings are held within the municipal area so that as many people as possible can attend. Notice of the meetings are

placed in the local newspaper, at the municipal office, on the Municipality's website and broadcasted via radio. Once the public participation process is finalised the draft by-law is tabled at a Council meeting where Council approves the by-law. The approved by-law is then gazetted in the Provincial Gazette and a notice is placed in the local newspaper informing the public of the approved by-law and the date of commencement. Every by-law is enforced by the relevant Directorate responsible for its implementation.

2.10 WEBSITE

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	2016-07-05
		2015-06-29
		2014-06-20
		2013-07-09
		2012-08-12
		2011-08-03
		2010-07-06
		2009-07-09
		2008-08-19
		2007-07-27
All current budget-related policies	Yes	2014-04-14 2014-07-01
The previous annual reports	No	2016-02-01 2016-04-18
The annual report (2014/15) published	Yes	10/07/2015 2015-08-04
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013/14) and resulting scorecards	Yes	29-10-2014 12/03/2015 29-07-2016

All service delivery agreements	N/A	None
All long-term borrowing contracts	Yes	2014-04-14
All supply chain management contracts above a prescribed value	No	2014-04-14 2015-08-04
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	None
Contracts agreed in to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	15-08-04
Public-private partnership agreements referred to in section 120	N/A	No
All quarterly reports tabled in the council in terms of section 52 (d) during the year (The municipality also placed the section 72 reports-Mid Year Assessment)	Yes	2014-04-14

MUNICIPAL WEBSITE CONTENT AND ACCESS

Masilonyana Local Municipality strives to maintain and improve the communication through its website as guided by section 75 MFMA.

All the information relating to the quotations, procurement advertisement is uploaded through Corporate Services department by the office of Information and Communication Technology. The ICT department aims to improve the control or procedures to be followed when information is to be uploaded. Currently users request uploads through emails, and ICT forwards the request to the province where the hosting takes place. The proposed future procedure is as follows: -

Users to complete a form when requesting the information to be uploaded

Head of Corporate services to authorize the form and acknowledges the information to be uploaded,

The information would then be forwarded to the ICT office in a soft copy format.

Thereafter the ICT Coordinator forward the information/request for upload to province.

Upon successful uploading of information then it should be accessible immediately.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not conduct any public satisfaction surveys on municipal services for the period under review.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The Municipality is committed to quality service delivery for residents of Masilonyana and to the extension of basic services to those who were previously denied access.

These sections of the report put focus on the Service delivery related areas of the Municipality, including performance highlights as they prevailed for the period reported herein.

COMPONENT A: BASIC SERVICES

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements).

3.1. WATER PROVISION

The strategic approach to the provision of water services is contained in the Infrastructure Master Plan as developed by the municipality during 2014 and approved by Council. The Bulk Water Supply Plan for all towns is contained in this Water Master Plan.

All planning culminates in the Three-year Capital Budget Programme, which speaks to the delivery of water services to meet domestic water needs, especially of the poor, and commercial/industrial water demands.

The municipality will continue to curb the water losses that is being experienced and unaccounted. Strict measures are continuously enforced to deal with water wastage.

The municipality continues to make strides to ensure that water is provided in all households. Due to the drought experienced in the country the municipality is experiencing a massive challenge in water supply, but strides were put in place.

The Department of water and sanitation has provided the municipality with 2 X 20 000 litres water tankers to supply water in communities especially the clinics and schools and also the high line areas.

Water restrictions were issued throughout the municipality from 18H00 to 06H00 in order to cater for communities who are living in the high line areas

Water Service Delivery Levels				
Households	2012/13	2013/14	2014/15	2015/16
Description	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	16 713	16 713	16 713	16 713

Piped water inside yard (but not in dwelling)	N/A	N/A	N/A	N/A
Using public tap (within 200m from dwelling)	0	0	0	60
Other water supply (within 200m)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	16 713	16 713	16 713	17 728
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	N/A	N/A	N/A	N/A
No water supply				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
Total number of households*	16 713	16 713	16 713	17 728

Households - Water Service Delivery Levels below the minimum						
Households Description	2012/13	2013/14	2014/15	2015/16		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	No.	No.	No.
FORMAL SETTLEMENTS						
Total households	N/A	N/A	N/A	17 728	N/A	N/A
Households below minimum service level	0	0	0	0		
Proportion of households below minimum service level	0	0	0	0		
INFORMAL SETTLEMENTS						
Total households	0	0	0	0	N/A	N/A
Households below minimum service level	0	0	0	0		
Proportion of households below minimum service level	0	0	0	0		
<i>T 3.1.4</i>						

Water Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2015/16			Target		
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	Corrective action/ measures	*Current Year (ix)	*Following Year (x)
Service Objective water							
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of water treatment plant upgraded	No reporting was done under this indicator	Additional 1 Mega liter of purified water supply at Soutpan by March 2016	Non performance of the contractor as services were not delivered as per the scope of work.	Sub-contractor has been appointed to complete the project and is anticipated to complete the project end of September 2016.	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No of water reservoir constructed	No reporting was done under this indicator	Construction of additional 2 mega litres reservoirs in Theunissen by June 2016	Funds of this project was transferred to Masilo concrete pressure tower as this was the prioritized project. However the project is at a design stage and the design has been forwarded to the municipality by Tinsedi Project Management.	Project will be implemented at a later stage	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	Household meters installed. Report did not include specifics	Installation of 3720 water meters, 2 zone metres and 4 bulk metres at Theunissen by June 2016	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project	N/A	N/A

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	Household meters installed. Report did not include specifics	Installation of 505 domestic water meters, 2 zone metres and 5 bulk metres at Verkeerdevlei by June 2016	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	Household meters installed. Report did not include specifics	Installation of 2719 water meters, 3 zone metres and 3 bulk metres at Brandfort/Majwemasweu by June 2016	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	Household meters installed. Report did not include specifics	Installation of 1027 water meters, 2 zone metres and 5 bulk water metres at Soutpan/Ikgomotseng by June 2016	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project	N/A	N/A

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	Household meters installed. Report did not include specifics	Installation of 3122 water meters, 3 zone metres at Winburg/Makelek etla by June 2016	Suppliers and contractor were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of boreholes and pumpstations refurbished	No reporting was done under this indicator	2 Pump stations refurbished, electric supply connected at Brandfort by December 2015	The project was completed during 2014/2015 financial year	N/A	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	Progress report submitted	Pipe line constructed from sanvet to Brandfort and the supply of raw water by June 2016	Delays due to non-payment that was caused by cashflow challenges	Sub contractor has been paid and is back on site to complete the project	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and	% of mega litres of clear water supplied	No reporting was done under this indicator	8 Mega litres of clear water supplied to Brandfort/Majwem	Construction of the pipeline is still under implementation	Completion of the pipeline will be completed during September 2016	N/A	N/A

enough (basic level) of water by June 2016			asweu by December 2015				
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	No reporting was done under this indicator	75% of raw water pipeline constructed at Winburg by June 2016	Contractor not yet appointed due to Consultant that has not submitted the project report	Once the consultant has submitted the report to Water and Sanitation department and the department approves then the contractor will be appointed	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of boreholes upgraded and refurbished	No reporting was done under this indicator	100% of Winburg boreholes operational by December 2015	Project was completed during 2013	N/A	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. on water monitoring programme for municipal plants developed	4 Water quality registers developed and updated for municipal plants	4 Water Monitoring programme for municipal plants developed by June 2016	Water Quality registers were developed	N/A	N/A	N/A
To ensure that 100% households in formal settlements around MLM	No. of logbooks developed and monitored for	4 logbooks developed and monitored for incidents taking place at the plant	4 logbooks developed and monitored for	Logbooks are developed and monitored for all incidents taking place at the plant	N/A	N/A	N/A

have access to clean and enough (basic level) of water by June 2016	incidents taking place at the plant	in all municipal towns	incidents taking place at the plant at Theunissen, Winburg, Brandford and Soutpan by June 2016				
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water quality registers developed	4 Water quality registers updated	4 water quality registers developed by June 2016	Water Quality registers were developed for all municipal towns	N/A	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of houses detected on leaks	No reporting was done under this indicator	6650 houses detected and fixed on leaks by June 2016	Leaks are detected and fixed upon being reported by the community. 203 leakages were detected and attended	A team from Water and Sanitation department has been tasked with the responsibility to identify all the leakages of Masilonyana	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water meter readings recorded and analysed	No reporting was done under this indicator	16 950 water meter readings taken and analysed within the municipality by June 2016	Insufficient reporting. However 366 water meter readings were taken and analyzed by the municipality.	During the new financial year proper records of all water meter readings will be analysed and recorderd	N/A	N/A

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of water losses reduced	No reporting was done under this indicator	20% of water losses reduced by June 2016	Leaks are detected and fixed upon being reported by the community	N/A	N/A	N/A
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	Amount of waters supplied	No reporting was done under this indicator	10224 MI of water supplied to all towns (Theunissen, Winburg, Brandfort, Verkleedevlei, Soutpan) by June 2016	Target has not been met due to water challenges that has been experienced throughout the year. However a total of 923 MI of water have been supplied to all municipal towns.	The municipality will continue to make strides to ensure proper supply of water to communities	N/A	N/A

3.2 WASTE WATER (SANITATION) PROVISION

The strategic approach to the provision of sanitation services is contained in the Infrastructure Master Plan as developed by the municipality during 2014 and approved by Council. The Bulk Sanitation Supply Plan for all towns is contained in this Master Plan.

All planning culminates in the Three-year Capital Budget Programme, which speaks to the delivery of sanitation services to meet domestic sanitation needs, especially of the poor, and commercial/industrial sanitation demands.

The Winburg waste water treatment plant was refurbishment and completed to ensure effective flow of sewer plant. The municipality is making strides to ensure that sanitation is provided to all communities. However, the municipality is still experiencing challenges that relate to spilages and sewer blockages. The municipality strives to ensure that major and minor spilages and sewer blockages are attended as and when they occur.

Sanitation Service Delivery Levels				
*Households				
Description	2012/13	2013/14	2014/15	2015/16
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	N/A	N/A	15 160	15 160
Flush toilet (with septic tank)	N/A	N/A	572	572
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min. service level)				
<i>Minimum Service Level and Above</i>				
<i>sub-total</i>	N/A	N/A	15732	15732
<i>Percentage</i>	N/A	N/A	100%	100%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	0	0	857	857
Other toilet provisions (below min. service level)	0	0	0	0
No toilet provisions	0	0	0	0
<i>Below Minimum Service Level</i>				
<i>sub-total</i>	0	0	857	857
<i>Percentage</i>	0	0		
Total households	0	0	16589	16589
*Total number of households including informal settlements				T 3.2.3

Sanitation Service Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective action/measure s	*Current Year	*Following Year
		*Previous Year (v)	*Current Year (vi)	(vii)			
Service Indicators (i)	(ii)				(ix)	(x)	
Service Objective sanitation							
To ensure that 100% of households in formal settlements in Masilonyana area have access to basic level of sanitation by 2016	% of existing waste water treatment works upgraded	Progress report submitted	100% of waste water treatment works upgraded in Winburg/Makeleketla by June 2016	Practical Completion certificate has been submitted	N/A	N/A	N/A
To ensure that 100% of households in formal settlements in Masilonyana area have access to basic level of sanitation by 2016	No. of households eradicated on buckets	No reporting was done under this indicator	2882 households eradicated buckets by December 2015	This project was completed during 2013.	N/A	N/A	N/A

3.3 ELECTRICITY

The municipality supplies electricity to all municipal towns which is Theunissen, Brandfort, Winburg, Verkeedevlei and Soutpan. The municipality supplies all these towns with electricity. Each town has got a location namely Masilo, Majwemasweu, Makeleketla, Tshepong and Ikgomotseng. Eskom supplies the locations and Soutpan with electricity. All the Street lights and High mast lights are maintained by the municipality.

In all three towns there are Eskom main sub stations except Verkeerdevlei. A sub station's work is to step down the 132 kv (supplied to it) to 11kv, by the main transformer. The 11kv will then be supplied to all mini substations in town. A substation consists of electrical components such as voltage transformer, current transformer, AC/DC panel, busbars, main transformer, etc. Brandfort, Theunissen and Winburg have 132 kv sub stations because they carry too much load. Verkeerdevlei is supplied by 22 kv medium voltage lines. It only has two 315 kva transformers. It doesn't have too much load. The municipality's main sub stations only has main circuit breakers. They need refurbishment (i.e. panels, bulk meter, another C/B)

The municipality developed and submitted business plans for all towns to source funding from Department of energy for refurbishment of electrical components. However no funding has been granted on these plans.

Electricity Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2015/16			Target		
		Target		Actual	Corrective action/measure s	*Current Year	*Following Year
		*Previous Year (v)	*Current Year (vi)	(vii)	(ix)	(x)	
Service Objective electricity							
To ensure that 100% of households in Masilonyana Municipal area have access to electricity by 2016	% of business plan completed and submitted to DOE for refurbishment and upgrade of Bulk Electrification	9 Business plans submitted to DOE	9 Business plans developed and submitted to the Department of energy for refurbishment and upgrade of Bulk electrification by December 2015	9 Business Plans have been completed and submitted for Department of energy	N/A	N/A	

The department managed to render the services as per the SDBIP and performance plan, however challenges such as lack of resources (vehicles, personnel and budget due to the cash flow) had a negative impact on service delivery.

1. Waste Management

- The Council approved Integrated Waste Management Plan (IWMP), By-laws on littering were promulgated and are enforced by our Law Enforcement Officers. The business area are cleaned daily at each unit and once or twice over the weekends, EPWP programs during the year assisted with cleaning in the units

- **Refuse removal**

Every household in Masilonyana Local Municipality, in all the five units receives household waste collection at least once per week, the Municipality approved a waste management delivery service plan that is implemented throughout the municipality

- **Landfill sites**

All the five (5) landfill sites within the municipality are licensed and have permit numbers, although they are not regulated and managed through the NEMA.

The municipality received funding from the National Department of Environmental Affairs (EPIP) for the upgrading of Theunissen and Winburg landfill site (R7 million for each site) The upgrading of Theunissen landfill site are almost completed it is 95% completed, in the process to be upgraded with EPIP funding and is 95% completed, the Winburg site is also in the process to be upgraded the layout and building plans are submitted to the Department for approval.

Challenges encountered

- Waste collection fleet is old and as a result there are regular break downs, which in turn affects and delays service delivery.
- Refuse trucks are used for other work in other departments which have an impact on service delivery as the weekly service delivery plan cannot be implemented as per the plan
- There is a shortage of personnel for waste collection.
- There is no personnel to work on the landfill site for access control, data collection on quantities of waste that enters the sites and to report on the National Waste Information System.
- Brandfort, Verkeerdevlei and Soutpan landfill sites are not fenced.
- Yellow fleet and equipment to manage work on the landfill sites is non-existent.

- The Municipality does not comply with the National Environmental Management Waste Act, and this leads to non compliance notices issued to the municipality by the District Municipality.

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2015/16			Corrective action/measure s (ix)	*Current Year (x)	*Following Year (x)
		Target		Actual			
		*Previous Year (v)	*Current Year (vi)	(vii)			
Service Objective Waste Management							
To ensure good waste management in Masilonyana Municipality	No. of households with access to refuse removal programme	Waste removal services provided to 15 849 households	Waste removal services provided to 15 849 households by June 2016	Waste is removed as per the Waste Plan	N/A	N/A	N/A

3.5 HOUSING

Housing in the Free State province is provincial competency unless in instance where a municipality has been accredited by the provincial government to build government funded houses. (This is not the case in Masilonyana Municipality). The responsibility of Masilonyana Municipality with regard to housing is to allocate (sites, change of ownership handling queries and review the waiting lists) provide infrastructure and maintain a waiting list of residents who qualify for RDP houses.

The municipality ensures the provision of and use of municipal owned land support of the housing programme as initiated by the Province, The Municipality also conducts identification of well-located and suitable for social and other housing through Local Spatial Development Frame Work (LSDF) processes. The municipality also allows for basic consideration, such as suitability and serving, and applications are approved accordingly through Council resolutions.

The Provincial department (MISA) has assisted the department of Social and Community Services with a drafted in-house Human Settlement Sector Plan which was sent to the council for approval during May 2016 (2015/2016 financial year). The Human Settlement Sector Plan addresses all human settlement challenges and remedial action including informal settlement related issues.

The Municipality has to date a housing backlog of 1607. There has not been any allocation from the Department of Human Settlement since 2011. The number of beneficiaries entered on Housing and erven waiting list increases daily. With regards to the Town Planning the Township Establishment has been done in Ikgomotseng / Soutpan March 2014 and Tshepong / Verkeerdevlei during October 2015. The township establishment contains 98 erven in Ikgomotseng / Soutpan and 317 Tshepong / Verkeerdevlei. In Makeleketla / Winburg the process of township establishment is still in progress of 1000 erven.

In February 2016 the municipality has lodged two applications and appointed a service provider for 2000 erven in Majwemasweu / Brandfort and 500 erven in Masilo / Theunissen, the project is still in progress.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipal Council must give priority to the basic needs of the community, promote the social and economic development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152(1) (b) and 153(b) of the Constitution.

The municipality is continuously making strides to ensure that services are continuously provided to the communities. Free Basic services contribute access to water, refuse, sanitation and electricity. The Indigent Subsidy Scheme was introduced by the municipality in order to provide basic services to poor households. On an annual basis the indigent register is reviewed and residents who qualify are encouraged to apply. The municipality subsidises the household with an income of R2 500 and less.

The Customer Care Unit in the municipality embarked on a Programme for Indigent Support and Indigent Renewals Registrations for all Masilonyana Units. This programme was supposed to have ended on the 26/02/2016 but was extended until 11/03/2016 because of poor turn up. It is believed that this poor turn up was because of the clashing of our Indigent programme and the ANC's Ward Councilors Mass Meetings Nominations.

An Indigent register was issued to all Councilors, CDW's & Ward Committee Members per wards before the 31/03/2016 for them to verify if all customers who are registered as Indigents really qualify as such or not and must indicate to the municipality those who do not qualify as indigents so that they can be removed from getting indigent subsidy. New registrations made amount to 796 people.

Free Basic Services

Free Basic Services To Low Income Households											
	Number Of Households										
	Total	Households Earning Less Than R 2500.00 per Month									
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
			Access	%	Access	%	Access	%	Access	%	
2015/16	3713	3713	3713	100%	3713	100%	139	50%	3713	100%	

Free Basic Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2015/16			Corrective action/ measures (viii)	*Current Year (ix)	*Following Year (x)
		Target		Actual			
		*Previous Year (v)	*Current Year (vi)	(vii)			
Service Objective free basic							
To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2017	No. of campaigns on registering indigents	1 campaign conducted	1 Campaign conducted on registering indigents by March 2016	Campaign was conducted on the 1st February – 11 March 2016 in all municipal Units	N/A	N/A	N/A

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

The Roads and Storm water function is responsible for the planning, providing and maintaining of Masilonyana Local Municipality (MLM) roads and Storm water network infrastructure. The functions are categorized into Planning and Projects, Operations and Maintenance.

The strategic approach to the provision of roads and storm-water is contained in the Infrastructure Master Plan as developed by the municipality during 2014 and approved by Council. The municipality has achieved major successes in maintaining the infrastructure to an acceptable level of standard. A major challenge has been cash flow resulting in proactive maintenance not being carried out as planned.

The priorities have been to attend to all potholes within the road network, undertake crack sealing, street cleaning and attending to road edge breaking and maintenance of gravel roads and upgrading of gravel roads to block paving roads.

The variation to the total approved value of projects depends on the allocation of MIG funds to different projects of the municipality.

STORMWATER DRAINAGE

The progress to improve the storm water drainage system in the entire municipal jurisdiction is improved by conducting efficient maintenance that is cleaning of storm water channels and water inlets on regular basis, especially during dry season. The municipality used EPWP participants and machineries to conduct the cleaning, the maintenance plan was implemented successfully and as a result, no floods were experienced or reported.

But there is still a challenge that the residents throw foreign objects into the storm water channels and inlets on regular basis.

Storm-water drainage consists of open storm-water channels, catch-pit inlets and covered storm-water channels. The maintenance of these various infrastructures determines the effectiveness of storm-water management. The effectiveness of the storm-water drainage system is evident during the rainy season when informal areas are easily flooded and damaged to property occurs.

Gravel Road Infrastructure

Kilometers

	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2014/15	192.82 kms	0	0	4km
2015/16	192.82 kms	4.6km	0	3.6 km
<i>T 3.7.2</i>				

Tarred Road Infrastructure					
Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2014/15	61.38 kms	0	0	0	100m
2015/16	61.38 kms	0	0	0	100m
<i>T 3.7.3</i>					

Roads and Storm-water Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective action/ measures	*Current Year	*Following Year
		*Previous Year (v)	*Current Year (vi)	(vii)			
Service Indicators (i)	(ii)						
Service Objective road and storm-water							
To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of soil roads upgraded to block paving	No reporting was done under this indicator	1km soil road upgraded to block paving at Theunissen Masilo by June 2016	Completion certificate has been attached and submitted	N/A	N/A	N/A
To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of zoning streets constructed	No reporting was done under this indicator	4.6 km of zoning streets constructed at Verkleedevelei by June 2016	Pictures of the zoning streets constructed has also been attached.	N/A	N/A	N/A
To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of zoning streets maintained	No reporting was done under this indicator	10 km of zoning streets maintained in all municipal towns by June 2016	This is due to insufficient reporting by the department concerned. However 3.6km of zoning streets have been maintained in all municipal towns	Department staff will be capacitated in reporting requirements expected	N/A	N/A

<p>To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan</p>	<p>No. of km of roads patched</p>	<p>2.2 km patching was done in Theunissen, Winburg, and Brandfort</p>	<p>2.1 km of roads patched in Theunissen, Winburg, Brandfort and Verkleedevlei by March 2016</p>	<p>2.7 km Patching has been done in Winburg, Theunissen, Brandfort. Patching was not done in Verkleedevlei as there is paving.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
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COMPONENT C: PLANNING AND DEVELOPMENT

3.8 PLANNING

The municipality's main aim is to ensure the physical, environmental, social and economic integration and sustainability of the municipal development, in order to overcome the inequality that currently characterizes the different resident areas

Masilonyana is geographic position as well as its limited scope of growth coupled with the large unemployed population provides very little opportunities for planning and development. The biggest activities currently included building plans and town establishments and consent use.

The municipality needs to ensure the enforcement and building control on numerous illegal land uses. The practice of erecting new houses and extension of existing housing units occurs without residents submitting building plans to the municipality for approval. A further challenge is that residents run businesses from their houses without applying for such properties to be rezoned. Although this is a serious problem, the municipality has to balance legal compliance with the need to stimulate small business development. Appointed Building inspectors needed to be appointed to monitor the situation. There must be a balance between the upliftment of local economy and managing compliance with laws and regulations.

Application for land use development						
Details	Formalization of townships		Rezoning		Built control	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Planning application received	1	2	0	0	32	32
Determination made in year of receipt	1	0	0	0	28	26
Determination made in following year	0	1	0	0	0	0
Application with drawn	0	0	0	0	0	0
Applications outstanding	0	3	0	0	0	0

Planning and Development Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2015/16			Corrective action/ measures (viii)	*Current Year (ix)	*Following Year (x)
		Target		Actual			
		*Previous Year (v)	*Current Year (vi)	(vii)			
Service Objective free basic							
To encourage the appropriate and effective use of land and resources	No. of land use scheme developed	Target was not set under this indicator. Therefore no reporting was done	1 Land Use Scheme developed by June 2016	This is due to delays to procure services of a consultant to assist in the development of Land Use Scheme. However Pula Strategic Resource Management was only appointed during July 2016 for the development of the Land Use Scheme.	Appointment letter has been forwarded to the Consultant and implementation will start leading to the project completed during 2016/2017	N/A	N/A
To encourage the appropriate and effective use of land and resources	No. of SDF Developed	Target was not set under this indicator. Therefore no reporting was done	1 SDF developed by June 2016	This is due to delays to procure services of a consultant to assist in the development of the SDF. However Pula Strategic Resource Management was only appointed during July 2016 for the development of the SDF.	Appointment letter has been forwarded to the Consultant and implementation will start leading to the project completed during 2016/2018	N/A	N/A

To encourage the appropriate and effective use of land and resources	% of building plans submitted, processed and approved	36 building plans were received and processed	100% of building plans received and processed by June 2016	38 Buildings plans were received and processed by the Building Coordinator	N/A	N/A	N/A
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3.9 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development Strategy which is the bible of the municipality guides us to implement development in Masilonyana Municipality is currently under review, this is at the 1st phase of the stake holder consultation in Theunissen, and the programme includes all units within Masilonyana except Soutpan who will be part of Mangaung Metro after Local Government Elections 2016.

There were key performance indicators that was achieved during the financial year 2015/16 and are outlined in the report, there were also not achieved target during this financial year and the reasons are provided.

Data-Base Report

The municipality has assisted 10 SMMEs to register their companies with Cipro; currently there are 60 SMME's and 40 Cooperatives on the Data-base as the year under review.

Capacity to implement LED in the Municipality Structure

The municipality has established LED forum that is functional to address issues related to LED, they meet quarterly and each unit is represented.

Financial Capacity

There were engagements were made with Lejweleputswa Development Agency to fund projects that have been identified and there has been fortunate that one of those which is a tourism Website for Tourist attraction was funded with the amount of 120,000

Skills

The following SMME's and Cooperatives were trained as part of capacity building by SEDA

NAME OF COMPANY	PLACE
Ikaheng Poultry & Multi-Purpose	Verkeerdevlei
Keke&Pona	Brandfort
Street Vendors	Brandfort
Morithing Primary Co-operative	Brandfort
Street Vendors	Brandfort

Xabelani General Projects and Construction	Winburg
Margs Chicken Projects Primary Co-operatives Limited	Winburg
Creativity Enterprises	Winburg
MMM KT	Winburg
Ngwazi Trading and Projects	Theunissen
Best Prospects	Theunissen
Repholisitswe Trading	Theunissen
Street Vendors	Theunissen
Street Vendors	Theunissen
Street Vendors	Theunissen
J.J.R.S. Events Management	Theunissen
O and O Trading and Construction	Theunissen
Tshwelang Ruth Saliwe	Theunissen
Kutlwano General Cooperative Limited	Theunissen
Quick Step	Theunissen
Street Vendors	Theunissen
Keabechwe Community Development	Theunissen
Mapheko Grace Seriba	Theunissen

Mokgoro General Construction	Theunissen
M.G Tube and Tyres	Theunissen
Sisonke Day Care and Project	Theunissen
Rankadi Electronics Gold Mining	Theunissen
Street Vendors	Theunissen
Kgomo Construction	Theunissen
Landbreeze Trading 513	Theunissen

There were trainings that took place funded by Harmony Gold Mine

The following SMME's and Cooperatives benefited from the training.

Name of the Company	Unit/ Town
Jeanett Mmatsietsi Hlalele	Theunissen
Motshilisi Machekele	Theunissen
Pricilla Sethuba	Theunissen
SekotoSekoto	Theunissen
MatshidisoKgware	Theunissen
Neo Moraone	Theunissen
LinkengKlasen	Theunissen
Martin Mokone	Theunissen

KenyatsitsweSomgesi	Theunissen
KagisoMatlabe	Theunissen
MmasenyaLekautu	Theunissen
MalefetsaneShumpa	Theunissen
Tankiso Julius Tlatsi	Theunissen
Morena Mokhoabane	Theunissen
BuzekaMpelwane	Winburg
KeketsoRankadi	Theunissen
Douglas Khomzana	Theunissen
Sisinyane Leube	Theunissen
Francis Sephoko	Theunissen
MaselloNtho	Winburg
Pulane Prudence Horn	Theunissen
George Motjopi	Theunissen
AnkieMatlabe	Theunissen
Thabo Pitso	Theunissen
Ruth Saliwe	Theunissen

Number of Jobs created through Municipal LED initiatives including Capital projects

During the year under review, the Municipality has offered a three years contract with our local SMME'S to perform the following Functions.

NAME OF COMPANY	SERVICE RENDERED	TOWN
Moema Moema	Supply and delivery of building material	Theunissen
Masilonyana Transport	Provision of transport	Theunissen
PG'S	Repair and maintenance of vehicle	Theunissen
Dikeledi tsabatswadi	Supply and delivery of stationery	Winburg
Fout 66	Supply and delivery of stationery	Brandfort
Phetoki	Supply and delivery of road patching material	Theunissen
Tiragatso	Supply and delivery of road patching material	Brandfort
	Supply and delivery of cleaning material	Winburg
	Supply and delivery of cleaning material	Brandfort
George	Supply and delivery of fixing tire	Theunissen
Lesego	Supply and delivery of fixing tire	Virginia

More and above 95 jobs have been created through EPWP during 2015/16.

There were also 338 jobs that were created through capital project during 2013-2016 and are tabled as follows;

Town	Project Title	Nr of Jobs Created
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Soutpan	Community Hall and Sports Complex	49
Soutpan	Construction of Waste Treatment Plant	21
Soutpan	Installation of 1027 water meter 5 bulk meter	12
Soutpan	Fencing of the cemetery	22
Winburg	Upgrading of water treatment plant	38
Winburg	Upgrading of Sports Centre	29
Theunissen	Installation of 3720 domestic water meter and 4 bulk meter	41
Theunissen	Fencing of Phahameng cemetery and building of ablution facilities	35
Theunissen	Upgrading of 1km paved road and storm water	37
Brandfort	Construction of sports Centre	31
Brandfort	Installation of 2719 water meter and 3 bulk water meter	20

Jobs Creation through EPWP projects

Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2013/2014	3	80
2014/2015	3	85
2015/2016	3	95

Local Economic Development Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16			Corrective Measures	*Current Year	*Following Year
		Target		Actual			
<i>Service Indicators</i>		*Previous Year	*Current Year				
(i)	(ii)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective local economic development							
To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of jobs created through EPWP	90 jobs created through EPWP	100 jobs created through EPWP for 2015/2016 financial year by June 2016	95 Jobs were created through EPWP for 2015/2016 financial year	EPWP Job creation will be aligned to planning in order to achieve the set target	N/A	N/A
To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of strategies reviewed and approved by Council	Target was not set under this indicator. Therefore no reporting was done	LED Strategy is reviewed and approved by Council by June 2016	This is due to delays in the LED Forum seating	LED Strategy has been reviewed and shall be submitted to Council for approval during 2016/2017 financial year	N/A	N/A
To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of SMME's Cooperatives and informal traders supported	21 SMME's and Cooperatives trained	15 SMME's, Cooperatives and Informal traders trained by March 2016	Training was organised for the SMME's and Cooperatives during March 2016 through facilitation of SEDA.	N/A	N/A	N/A

To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of LED Lekgotla conducted	This is a new indicator, therefore no reporting was made.	1 LED Summit hosted by June 2016	This is due to budget constraints	Funding will be requested form other external stakeholders to ensure implementation of the summit programme	N/A	N/A
To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of jobs created for samll businesses	11 jobs created for small businesses	3 jobs created for small businesses by Dec 2015	3 Appointment letters were given to SMME's for appointment of municipal service to be rendered which is Supply and Maintenance of tyres.	N/A	N/A	N/A

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.10 COMMUNITY FACILITIES

The municipality prioritizes the provision of community and social services to all residents of Masilonyana Municipality.

Social and Community Services is responsible for the following services:

- Waste Management (Landfill sites and refuse removal)
- Cemeteries
- Management of parks and recreational facilities
- Law Enforcement
- Disaster Management
- Planning
- Human Settlement

Community and Social Service Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective measures	*Current Year	*Following Year
		*Previous Year	*Current Year				
Service Objective Sports Facilities							
Effective maintenance of Council buildings	No. of Council buildings maintained	Target was not set under this indicator. Therefore no reporting was done	1 Offices, and 2 halls maintained by June 2016	Makelekehla hall and 1 office in Winburg were maintained using services of a Service Provider. Community hall at Verkleedevelei (Tsepong) has also been maintained as the hall was burnt down.	N/A	N/A	N/A
To ensure access to well maintained, quality sporting and recreational facilities in Masilonyana Municipal area	No. of parks developed	This is a new indicator, therefore no reporting was made	2 parks developed by December 2015	Sites were identified and concept approved, however the project was kept on hold because of the drought season that is faced. 1 park in Masilo/Theunissen has been identified which is site number 3938 which is the Mayoral launching of the parks programme for Masilo, through the EPWP programme.	The project will continue after the drought season	N/A	N/A

3.11 CEMETERIES AND CREMATORIUMS

The cemetery section forms part of the responsibilities of the Social and Community Services in the Municipality. This includes the management and maintenance of all municipal cemeteries.

- Masilonyana is responsible to ensure that graves are opened weekly for burials
- Two new cemeteries are in the process to be established and are nearly finalised
- Standard cemeteries and crematoria By Laws were approved and promulgated
- Management of cemeteries is ongoing, through EPWP programme the cemeteries are cleaned
- An ablution facility was constructed at Phahameng cemetery in Masilo
- A new grave register for Verkeerdevlei was drawn up as the old one was burnt in the Verkeerdevlei office

Cemeteries and Crematoriums								
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2015/16						
		Target		Actual		Target		
		*Previous Year	*Current Year			Corrective/Improvement measures	*Current Year	*Following Year
Service Objective Traffic								
To ensure effective management of graveyards and cemeteries in Masilonyana Municipal area	% of new graves opened numbered and maintained	100% graves opened, numbered and maintained	100% graves opened, numbered and maintained by June 2016	Graves are opened, numbered and maintained		N/A	N/A	N/A

COMPONENT E: SECURITY AND SAFETY

3.12 TRAFFIC MANAGEMENT

Masilonyana Local Municipality has four law enforcement officers with a functional structure; four officers are placed in one town rotating all Masilonyana towns according to their planned monthly programme. Their function also includes law enforcement and traffic management. The unit prepares weekly plans as well as reports which details all activities undertaken, the unit is operating with only one vehicle.

The unit ensures monthly reporting and consolidation of traffic fines which are submitted to internal audit and performance office. A total number of **2162** fines were issues during the **2015/2016** financial year amounting to **R 945,250**, the amount that municipality received is **R 187,728.10** due to the fact that the court in some instances reduces the amount of the fines.

TRAFFIC AND LAW ENFORCEMENT DATA			
	Details	2015/16	
		Estimate No.	Actual No.
1	Number of road traffic accidents during the year	53	53
2	Number of traffic officers in the field on any average day	3	3
3	Number of traffic officers on duty on an average day	4	4

Security and Safety Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective/ improvement measures	*Current Year	*Following Year
Service Indicators		*Previous Year	*Current Year				
Service Objective Security and Safety							
To ensure effective traffic management in Masilonyana Municipality	No. of municipal vehicles registered and licensed	80 Municipal vehicles registered and licensed	80 Municipal vehicles registered and licensed by June 2016	Target was over achieved as more than 80 vehicles were registered for the year	N/A	N/A	N/A

3.13 DISASTER MANAGEMENT

Masilonyana Local Municipality experienced drought in the year under review, and the municipality as declared to be under the disaster on those basis.

The following measures were put on place:

- Disaster Management Plan was developed and approved by council, the plan addresses all disaster related incidents, activities and remedial actions
- Local Disaster Management forums were established and approved by the Council with the aim to address local issues in relation with disaster and that can affects the communities directly
- Recruitment of Disaster Management Volunteers and training was done and awaiting for the district to train the volunteers
- Disaster Management Division conducts awareness at schools and the community in all wards on:
 - Climate Change
 - Drought
 - Veld and Structural Fires

3.14 FIRE SERVICES

The municipality is commuted to substantially reduce the loss of life and the destruction of property and environment by fire, through the promotion of fire safe awareness presentation and campaign in Schools and Communities, the municipality does not havemanagement centre; the services of the district Municipality are frequently requested in any disaster related incidents. the municipality has no proper fire equipment as to combat fires.

The municipality participates in the following forums:

- Participates in the District Disaster
- Conducts programmes in Disaster Risk Reduction, Response and Recovery
- Gather critical information about municipality's capacity to assist in disaster and access of resources
- Assess the conditions of vulnerability that might increase the chance of loss environment, human and infrastructure
- Determines the level of the risk for different situations and condition
- Helps to set priorities

Disaster Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16					
		Target		Actual	Target		
Service Indicators		*Previous Year	*Current Year		Corrective/improvement	*Current Year	*Following Year
Service Objective Disaster Management							
Ensure an integrated, multi-sectoral approach to Disaster Management in all 5 MLM units	No. of Disaster Management Plan reviewed by June 2016	This is a new indicator, therefore no reporting was made	1 Disaster Mngt. Plan reviewed by June 2016	Disaster Management Plan was reviewed and approved by Council on the 31st March 2016	N/A	N/A	N/A

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.15 EXECUTIVE AND COUNCIL

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and in the various social programmes in the municipal area.

Council is also the principal political structure and the ultimate decision maker of the Municipality. The Speaker also carries out the duties of Chairperson of the Municipal Council under the Municipal Structures and Systems Act, enforces the Code of Conduct and exercises delegated authority in terms of the Municipal Systems Act. The Mayoral Committee of Masilonyana Local Municipality comprised of four (4) Councilors and is chaired by the Mayor.

Section 80 Committees were established for the effective and efficient performance of any of its function's or the exercise of any of its powers. There is Public Participation officer in the office of the Speaker who is responsible for public participation and managing the office and the driver to the Speaker. The Public Participation Officer is responsible to ensure the community becomes involved in the affairs of the municipality. In the office of the Mayor there is Secretary to the Mayor who is responsible for day to day running of the Mayor's office, Special Programmes Coordinator is responsible for special programmes and Youth Development Officer responsible for youth programmes.

The Directorate Corporate Services is responsible for the Human Resources, Skills Development, Legal Services as well as Information Technology functions of the Municipality. This Directorate is also responsible for rendering general administrative services to the Municipality overall as well as administrative and support services to ensure the effective functioning of Council and its Committees. Specific support services are rendered to the Office of the Mayor, the Mayoral Committee and the Office of the Speaker.

Executive and Council Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective/ improvement measure	*Current Year	*Following Year
		*Previous Year	*Current Year				
Service Objective executive and council							
To ensure a developmental oriented planning institution in line with the requirements of local government laws and regulations by June 2016	No. of institutional plans developed	1 IDP document approved	1 IDP Document developed and approved for implementation by June 2016	IDP was reviewed and approved by Council during June 2015	N/A	N/A	
To ensure good governance in Masilonyana Municipality	No. of annual reports developed and published	1 Annual report approved	1 Annual report developed, approved by Council and printed for publication by June 2016	Annual Report was developed and approved by Council as draft on the 22nd January 2016 and approved as final on the 31st March 2016	N/A	N/A	
To ensure good governance in Masilonyana Municipality	No of PMS Policy Reviewed	1 PMS Policy and Framework developed	1 Reviewed PMS Policy by June 2016	There were delays in LLF seatings for recommendation of the policy to be approved by Council	Policy shall be approved during 2016/2017 financial year	N/A	N/A
To ensure good governance in Masilonyana Municipality	Level of compliance with the PMS Framework and Policy	This is a new indicator, therefore no reporting was made	2 PMS Workshops conducted by March 2016	PMS Workshop was held during 9th December 2015 for Senior and Line Managers. The other	N/A	N/A	N/A

				workshop was held during 2nd - 5th February 2015.			
To improve community participation in the affairs of the municipality	No. of Mayoral Imbizos and outreach programmes held by June 2016	2 community participation held	1 Mayoral imbizos held and 2 community participations conducted by June 2016	Poor participation in attendance from the community which led to non-materialization of these meetings	Public Participation will be organized again during 2016/2017 financial year as it is still a standing target	N/A	N/A
Provide an effective and efficient administration and legal support	No. of reports on legal matters	10 reports submitted	8 Reports submitted on all legal matters by June 2016	Reports have been prepared in all legal activities	N/A	N/A	N/A
To streamline all special programmes	No. of Sports Indaba conducted	This is a new indicator, therefore no reporting was made	1 Sports Indaba conducted by December 2015	Sports Indaba was conducted on the 1st October 2015	N/A	N/A	N/A
To streamline all special programmes	No. of Disability Dialogues conducted	This is a new indicator, therefore no reporting was made	1 Disability dialogues conducted by December 2015	This was due to Budget constraints	Municipality will implement this program when there is sufficient budget	N/A	N/A
To streamline all special programmes	No. of Gender programmes conducted	This is a new indicator, therefore no reporting was made	1 Gender programmes conducted by December 2015	This was due to Budget constraints	Municipality will implement this program when	N/A	N/A

					there is sufficient budget		
To streamline all special programmes	No.of Women programmes coordinated	1 women day event celebrated during August 2014	1 Women day event celebrated by September 2015	Women day event was conducted on the 28th August 2015 at Brandfort Town Hall	N/A	N/A	N/A

3.16 FINANCIAL SERVICES

The Directorate Financial Services is responsible for the delivery of all financial-related Services of the Municipality. This includes the following:

- Strategic financial guidance.
- Budget, financial statements and related aspects.
- Expenditure management, which includes salaries and wages.
- Income and account services.
- Supply chain management services.
- Asset Management

The aim of this Directorate is to keep the financial position of the Municipality stable and to ensure that it will continue to being able to not only meeting its financial commitments but to ensure that economically viable services are rendered to the community on an effective and efficient basis. To maintain the present high standard of financial services the Municipality must adhere to many acts and other legal prescripts, policies, regulations, etc.

Financial Service Policy Objectives Taken From IDP							
Service Objectives <i>Service Indicators</i>	Outline Service Targets	2015/16			Target		
		Target		Actual	Corrective /Improvement measures	*Current Year	*Follo wing Year
		*Previous Year	*Current Year				
Service Objective financial							
To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2016	Amount of arrears at the closing of the Financial year	Target was not set under this indicator. Therefore no reporting was done	R272 250 of the money owed collected by June 2016	1. Due to the financial systems challenges. 2. Inconsistent implementation of the credit control policy	1. Billing to be performed timeously to ensure that challenges caused by the system are detected on time. 2. Radical implementation of credit control. Municipality has also appointed the debt collector who will be collecting cash on the municipality's behalf	N/A	N/A
To increase amount of revenue collected annually by ensuring full	No. of campaigns on registering indigents	1 campaign conducted	1 Campaign conducted on registering	Campaign was conducted on the 1st February - 26	N/A	N/A	N/A

implementation of revenue strategy by June 2017			indigents by March 2016	February 2016 in all municipal Units			
To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2018	Improve payment to creditors	Target was not set under this indicator. Therefore no reporting was done	creditors payed within the specified period as the MFMA by June 2016	This is due mainly on the ability of the municipality to pay its creditors within 30 days	To spend based on the available cashflow 2. Procuring in line with the procurement plan to ensure that the cash flow is better managed	N/A	N/A
To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001.	No. of annual budget compiled and approved by Council	Approved annual budget	Approved annual budget by June 2016	Annual Budget was approved by Council during June 2016	N/A	N/A	N/A
To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001	Timely approval of the adjustment budget	Approved adjustment budget	Approved adjustment budget by March 2016	Adjustment budget was approved by Council during the 22 January 2016	N/A	N/A	N/A
To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001.	Approval of electricity tariffs by NERSA	1 Nersa application submitted	1 nersa Application for electricity increase submitted by June 2016	D-Forms were submitted to NERSA during October 2015 for electricity increase	N/A	N/A	N/A

To improve expenditure processes by June 2016	Clear salaries suspense account	Salaries suspense account cleared	salaries suspense accounts cleared by June 2016	Salaries suspense account cleared	N/A	N/A	N/A
To improve expenditure processes by June 2017	Verification of municipal employees	Municipal employees verified in all towns	Municipal employees verified in all towns by March 2016	Employees were verified on the 30th May to the 1st June 2016 for all municipal units	N/A	N/A	N/A
To implement proper supply chain protocols in compliance with the MFMA legislation	Adjudicate tenders within 60 days	Target was not set under this indicator. Therefore no reporting was done	Tenders adjudicated within 60 days	Tenders are adjudicated within 60 days	N/A	N/A	N/A
To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	Verification of moveable and immovable assets	2 verifications of moveable and immovable assets	moveable and immovable assets verified bi-annually by June 2016	Moveable and immovable assets have been verified. Asset control sheet serve as evidence.	N/A	N/A	N/A
To manage, control and maintain all municipal assets according to MFMA	Update of Fixed asset register	FAR updated	FAR updated by June 2016	FAR register is updated on a monthly basis and additions list is submitted.	N/A	N/A	N/A

regulations and good assets management practices							
To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	Inventory verification	2 inventory counts done	4 inventory count by June 2016	Inventory is done for all the 4 Quarters. A manual inventory register is maintained on a monthly basis which includes all the inventory procured	N/A	N/A	N/A
To improve compliance and adherence to legislation	No. of AFS compiled	AFS submitted on the 31 st August	AFS compiled and submitted to AG on the 31 st August	AFS was submitted to the AG on the 31 st August 2015	N/A	N/A	N/A
To improve compliance and adherence to legislation	No. of audit action plan to address all audit findings	1 Audit Action plan submitted	1 realistic audit action plan developed by June 2016	Audit Action Plan was approved by Council on the 22 nd January 2016. Audit Action Plan has been updated on a monthly basis through monthly meetings held by staff and management	N/A	N/A	N/A

3.17 HUMAN RESOURCE SERVICES

The Human Resources function is located within the Department of Corporate Services and is headed by the Director Corporate Services who is accountable to the Municipal Manager. Currently the Director Corporate Services position has been vacant since May 2015. However Council is committed to fill the position during 2016/2017 financial year. In the mean Council appointed HR Manager during September 2015 to ensure smooth running of Human Resources objectives. The section serves all Departments of the Municipality as it provides support to the institution.

The HR division is divided into – sections. Those sections are mainly responsible to deal with the following HR matters:

- Leave and Leave Administration (mainly responsible for the management and administration of leave and leave related matters. Assist staff with other staff matters such as entrance and withdrawal of pensions and related matters. Assist staff with medical aid issues. Handle UIF matters. Open and close personnel files and keep those personnel files updated) Responsible to develop and compile reports and registers related to the leave and leave registration section.
- Recruitment and Selection; (Mainly deal with advertisement of positions. Receiving of applications and compiling list of applicants received. Arrange and serve as scribe of shortlisting committee meetings and compilation of short list. Arrange and act as scribe during interviews. Assist in developing reports from interview committee to Municipal Manager. Assist in developing appointment letters and submitting those appointment letters to relevant role players and the appointee. Ensure that CV's and related documents is filed in the personnel files. Dealing with exit of employees. Dealing with appointment of Acting staff by compiling acting letters, ensure the proper signing thereof and proper distribution and appropriate filling thereof. Responsible to develop and maintain proper records and registers related to the duties of the Recruitment and selection section.
- Skills Development (Mainly deal with all skills development and related matters. This includes matters such as the compilation and submission of the Workplace Skills Plan, Administration of Bursaries, and Skills Audits, ABET trainings etc.
- Labour Relations (Deals with all matters relating to Labour Relations. This includes disciplinary cases, investigations, absentees, maintaining of main collective agreement and conditions of service. Administering of Local Labour Forum agendas, minutes and related matters. Writing of reports and submission of advices on Labour Relation matters. Responsible to develop, maintain proper records and registers related to the duties of the Labour Relations section.
- Health & Safety (Deals with all matters relating to Health and Safety in the institution. This includes the heading of Health and Safety Committee, Health and Safety inspections and compiling reports on the activities of the Health & Safety Section. Also deals with the arrangement and administration of medical surveillance and vaccinations, servicing of fire

extinguishers etc. Also deal with the requests, receive and distribution of protected clothing. Also deal with matters related to injury on duty.

The strength of HR unit is to implement effective HR management and to ensure that adequate and sufficiently skilled resources are in place.

Human Resource Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16					
		Target		Actual	Target		
<i>Service Indicators</i>		*Previous Year	*Current Year		Corrective/ Improvement measures	*Current Year	*Following Year
Service Objective Human Resource Management							
To improve staff morale	No. of organisational wellness programmes implemented	1 wellness conducted	1 organisational wellness programme conducted by December 2015	Wellness event was conducted on the 16th October 2015	N/A	N/A	N/A
To provide an efficient and effective Human Resources Support Service	No. of budgeted critical positions advertised	61 budgeted positions filled	18 budgeted critical positions filled by June 2016	This is due to delays of reviewing the organogram in order to prioritise on the critical posts.	critical positions shall be advertised by the municipality as organogram was approved during June 2016	N/A	N/A
To ensure a healthy and safe working environment for councillors and employees	No. of Occupational Health and Safety Policy developed and implemented	Target was not set under this indicator. Therefore no reporting was done	1 Reviewed Occupational Health and Safety Policy by June 2016	This is due to delays in LLF seatings for recommendation of the policy to be approved by Council	Policy shall be approved during 2016/2017 financial year	N/A	N/A

To facilitate institutional transformation and development in Masilonyana Municipality	No. of approved employment equity plan reviewed	1 Employment Equity Plan and EE Policy reviewed and submitted to the Department of Labour	1 Employment Equity Plan reviewed and submitted to the Department of Labour. 1 EE Policy reviewed by June 2016	Department of Labour rejected the EPP and Policy hence their indication that there is no internal capacity to do the documents because of the absence of the Senior person in Corporate department	The municipality will further plan how will they deal with the success of this target	N/A	N/A
To facilitate institutional transformation and development in Masilonyana Municipality	% of staff actually trained as per the Workplace Skills Plan	100% Trainings conducted as per the workplace skills plan	staff actually trained as per the workplace skills plan by June 2016	Staff has been trained as per the workplace skills plan. Report has been submitted	N/A	N/A	N/A
To promote fair fair Labour Practices	No. of Local Labour Forums meetings held	10 LLF meetings held	12 LLF meetings held by June 2016	Meetings could not seat as per scheduled due to other commitments experienced by committee members	The municipality will ensure that it complies with the LLF seating as scheduled	N/A	N/A
To provide an effective and efficient administration	No. of Council Calendar of events developed and approved by Council	1 Council Calendar of events developed and approved	1 Council Calendar of events developed and approved for 2015/2016 financial year by June 2016	Council Calendar was developed and approved	N/A	N/A	N/A
To provide an effective and efficient administration	Establishment of the records management	This is a new indicator, therefore no	Establishment of the records management	Records Coordinator was transferred from Verkleedevlei to Theunissen to start the records	N/A	N/A	N/A

	unit and reviewal of Records Management policies	reporting was made	unit and reviewal of Record Management policies by June 2016	Unit Office during 1st Septemeber 2015. Records Management Policy was also reveiwed			
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3.18 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Masilonyana Local Municipality strives to maintain and improve the communication through its website as guided by section 75 MFMA.

All the information relating to the quotations, procurement advertisement is uploaded through Corporate Services department by the office of Information and Communication Technology. The ICT department aims to improve the control or procedures to be followed when information is to be uploaded. Currently users request uploads through emails, and ICT forwards the request to the province where the hosting takes place. The proposed future procedure is as follows: -

Users to complete a form when requesting the information to be uploaded

Head of Corporate services to authorize the form and acknowledges the information to be uploaded,

The information would then be forwarded to the ICT office in a soft copy format

Thereafter the ICT Coordinator forward the information/request for upload to province

Upon successful uploading of information then it should be accessible immediately

ICT Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16					
		Target		Actual			
		*Previous Year	*Current Year		Corrective / improvement measures	*Current Year	*Following Year
<i>Service Indicators</i>							
Service Objective ICT							
To provide an effective and efficient IT Service through the use of spisys	No. of IT Strategies developed and approved by Council	This is a new indicator therefore no reporting was made	1 IT Framework developed by June 2016	IT Framework is at a draft stage. Arrangements have been made with Cogta to assist with the Framework.	Framework will be tabled before Council during the 1st Quarter of 2016/2017	N/A	N/A
To provide an effective and efficient IT Service through the use of spisys	Level of security with the server room	This is a new indicator therefore no reporting was made	Construction of a new server room by June 2016	Project is still at procurement stage.	Service provider will be appointed during the new financial year 2016/2017	N/A	N/A

To provide an effective and efficient IT Service through the use of spisys	% of bandwidth to be improved	This is a new indicator therefore no reporting was made	50% of bandwidth improved by June 2016	Service Provider is on site and is busy with implementation	Project shall be completed by the end of July 2016 as consultant is busy on site	N/A	N/A
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3.19 RISK MANAGEMENT SERVICES

The role of Risk Management in the Municipality is to co-ordinate and offer guidance with regard to the process of managing risks in the Municipality and the following were taken into consideration.

- ✚ By ensuring that there is regular updating of risks on quarterly basis in the risks registers in pursuit of set objectives and improved risk maturity level;
- ✚ By ensuring that there is embedding of risk management culture in the Municipality by the risk owners and other role players; and
- ✚ Ensure that there is functional and effective Risk Management Committee in place to play an oversight role over Risk Management matters.

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. The Risk Management Officer resigned towards the end of the financial year.

Risk Management Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2015/16					
		Target		Actual			
		*Previous Year	*Current Year		Corrective/improvement measures	*Current Year	*Following Year
Service Indicators							
Service Objective risk management							
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risk assessment conducted	4 risks assessments conducted	4 Risks assessments conducted by June 2016	Risks assessments were conducted for each department in all the 4 Quarters.	N/A	N/A	N/A
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks workshops conducted	2 workshops conducted	2 Workshops conducted by March 2016	Risks workshops were held from the 3rd - 6th August 2015 for all departments; 2nd workshop was held from the 12th - 15th January 2016. Attendance registers have been submitted	N/A	N/A	N/A
To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks committee meetings conducted	4 risk committee meetings held	4 risk committee meetings conducted by June 2016	Risk committee meetings was held on the 2nd July 2015; 22 October 2015; 23 February 2016 and 24 June 2016. Attendance registers have been submitted	N/A	N/A	N/A



MASILONYANA LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT (QUARTER 1 - 4)

MLM NON-FINANCIAL PERFORMANCE REPORT (Q1 JULY 2015 TO Q4 JUNE 2016)

REPORTING PERIOD: AS AT 30 JUNE 2016

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organization's strategy. It also is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level, performance management is institutionalized through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Masilonyana Municipality. The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- promote the efficient, economic and effective use of resources,
- ensure accountable public administration,
- be transparent by providing information,
- be responsive to the needs of the community, and
- facilitate a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organizational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP).

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

LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report furthermore must indicate the development and service delivery priorities and the performance targets set by the municipality, and measures that were or are to be taken to improve performance.

PERFORMANCE MANAGEMENT SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2015/16

ORGANISATIONAL PERFORMANCE

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on, during the financial year, to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the Municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the Strategic Objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The Municipality adopted a Performance Management Framework for 2015/2016 financial year. The framework was approved by the Municipal council during July 2015.

THE IDP, BUDGET AND PMS

The IDP and the Budget was tabled before Council during May 2015. The IDP has its primary aim the reflection of Council's vision for long-term development by focusing on the critical development and transformation needs. It therefore is important to assess the existing level of development as identified within the communities and allow citizens the opportunity to render comments on such developments. The IDP and performance management processes are integrated and requires the consultation with the public in order to commence with activities that influence the community directly. The IDP fulfils the planning stage of performance management. Performance management, in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based in the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are

implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

AMENDMENT OF THE TOP LAYER SDBIP

Top Layer SDBIP was amended during January and approved by Council on the 22nd January 2016.

INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

Municipal Manager and Managers Directly Accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s56-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Performance. All Heads of Departments have signed the performance agreements and performance plans.

The appraisal of the actual performance in terms of the signed agreement did not take place twice per annum as regulated. However, the municipality will start implementing this process during 2016/2017 financial year.

Other Municipal Personnel

The municipality did not implement cascading of PMS to lower levels below S56 managers; however this process only started during 2016/2017 financial year as encompassed by the policy and framework. Performance agreements/scorecard will be developed and signed between the staff on other post levels and immediate managers/ supervisors. Progress in this regard will be reported on in future.

ANNUAL PERFORMANCE SCORECARD REPORT 2015/2016 FINANCIAL YEAR

MASILONYANA MUNICIPALITY							
SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2015/2016 FINANCIAL YEAR							
ANNUAL PERFORMANCE REPORT - MSA SECTION 46							
	OBJECTIVE	KEY PERFORMANCE INDICATOR	COMPARISON WITH 2014/15 TARGETS	ANNUAL TARGET 2015/2016	ACHIEVED/ NOT ACHIEVED	REASONS FOR NON ACHIEVEMENT	CORRECTIVE MEASURE
KPA 1: BASIC SERVICE DELIVERY							
Roads and Stormwater	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of soil roads upgraded to block paving	No reporting was made under this indicator	1km soil road upgraded to block paving at Theunissen Masilo by June 2016	Achieved. Completion certificate has been attached and submitted		
	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of kms of zoning streets constructed	No reporting was made under this indicator	4.6 km of zoning streets constructed at Verkleedevlei by June 2016	Achieved. Pictures of the zoning streets constructed has also been attached.		
	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of zoning streets maintained	No reporting was made under this indicator	10 km of zoning streets maintained in all municipal towns by June 2016	Not achieved	This is due to insufficient reporting by the department concerned. However 3.6km of zoning streets have been maintained in all municipal towns	Department staff will be capacitated in reporting requirements expected

	To ensure that identified internal roads in MLM are maintained and/ or upgraded to facilitate economic and social activity for the sustainable development of the municipality thus implementing the current infrastructure Master Plan	No. of km of roads patched	2.2 km patching was done in Theunissen, Winburg and Brandfort	2.1 km of roads patched in Theunissen, Winburg, Brandfort and Verkleedevlei by March 2016	Achieved. 2, 7 km Patching has been done in Winburg, Theunissen, Brandfort. Patching was not done in Verkleedevlei as there is paving.		
Provision of sources of energy	To ensure that 100% of households in Masilonyana Municipal area have access to electricity by 2016	% of business plan completed and submitted to DOE for refurbishment and upgrade of Bulk Electrification	9 Business plans submitted to DOE	9 Business plans developed and submitted to the Department of energy for refurbishment and upgrade of Bulk electrification by December 2015	Achieved. 9 Business Plans have been completed for Department of energy		
Provision of water	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of water treatment plant upgraded	No reporting was made under this indicator	Additional 1 Mega litre of purified water supply at Soutpan by March 2016	Not achieved	Non performance of the contractor as services were not delivered as per the scope of work.	Sub-contractor has been appointed to complete the project and is anticipated to complete the project end of September 2016.
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No of water reservoir constructed	No reporting was made under this indicator	Construction of additional 2 mega litres reservoirs in Theunissen by June 2016	Not achieved	Funds of this project was transferred to Masilo concrete pressure tower as this was the prioritized project. However the project is at a design stage and the design has been forwarded to the municipality by Tinsedi Project Management.	Project will be implemented at a later stage

	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 3720 water meters, 2 zone metres and 4 bulk metres at Theunissen by June 2016	Not achieved	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 505 domestic water meters, 2 zone metres and 5 bulk metres at Verkeerdevlei by June 2016	Not achieved	Suppliers and contractors were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 2719 water meters, 3 zone metres and 3 bulk metres at Brandfort/Majwemasweu by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed. Report did not include specifics	Installation of 1027 water meters, 2 zone metres and 5 bulk water metres at Soutpan/Ikgomotseng by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water metres, zone metres and bulk metres installed	household meters installed Report did not include specifics.	Installation of 3122 water meters, 3 zone metres at Winburg/Makeleketa by June 2016	Not achieved	Suppliers and contract were not paid due to cashflow challenges	Supplier has been paid during July 2016 and material has been delivered. Contractor will commence with the implementation of the project

To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of boreholes and pumpstations refurbished	No reporting was done under this indicator	2 Pump stations refurbished, electric supply connected at Brandfort by December 2015	Not achieved	The project was completed during 2014/2015 financial year	
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	Progress report submitted	Pipe line constructed from sanvet to Brandfort and the supply of raw water by June 2016	Not achieved	Delays due to non-payment that was caused by cashflow challenges	Sub contractor has been paid and is back on site to complete the project
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of mega litres of clear water supplied	No reporting was done under this indicator	8 Mega litres of clear water supplied to Brandfort/Majwemasweu by December 2015	Not achieved	Construction of the pipeline is still under implementation	Completion of the pipeline will be completed during September 2016
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of raw water pipeline constructed.	No reporting was done under this indicator	75% of raw water pipeline constructed at Winburg by June 2016	Not achieved	Contractor not yet appointed due to Consultant that has not submitted the project report	Once the consultant has submitted the report to Water and Sanitation department and the department approves then the contractor will be appointed
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of boreholes upgraded and refurbished	No reporting was done under this indicator	100% of Winburg boreholes operational by December 2015	Achieved	Project was completed during 2013	
To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. on water monitoring programme for municipal plants developed	4 Water quality registers developed and updated for municipal plants	4 Water Monitoring programme for municipal plants developed by June 2016	Achieved. Water Quality registers were developed		

	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of logbooks developed and monitored for incidents taking place at the plant	4 logbooks developed and monitored for incidents taking place at the plant in all municipal towns	4 logbooks developed and monitored for incidents taking place at the plant at Theunissen, Winburg, Brandford and Soutpan by June 2016	Achieved. Logbooks are developed and monitored for all incidents taking place at the plant		
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water quality registers developed	4 water quality registers updated	4 water quality registers developed by June 2016	Achieved. Water Quality registers were developed for all municipal towns		
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of houses detected on leaks	No reporting was done under this indicator	6650 houses detected and fixed on leaks by June 2016	Not achieved	Leaks are detected and fixed upon being reported by the community. 203 leakages were detected and attended	A team from Water and Sanitation department has been tasked with the responsibility to identify all the leakages of Masilonyana
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	No. of water meter readings recorded and analysed	No reporting was done under this indicator	16 950 water meter readings taken and analysed within the municipality by June 2016	Not achieved	Target was not met. However 366 water meter readings were taken and analyzed by the municipality.	During the new financial year proper records of all water meter readings will be analysed and recorderd
	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	% of water losses reduced	No reporting was done under this indicator	20% of water losses reduced by June 2016	Achieved. Leaks are detected and fixed upon being reported by the community		

	To ensure that 100% households in formal settlements around MLM have access to clean and enough (basic level) of water by June 2016	Amount of waters supplied	No reporting was done under this indicator	10224 MI of water supplied to all towns (Theunissen, Winburg, Brandfort, Verkleedevlei, Soutpan) by June 2016	Not achieved	Target has not been met due to water challenges that has been experienced throughout the year. However a total of 923 MI of water have been supplied to all municipal towns.	The municipality will continue to make strides to ensure proper supply of water to communities
Sanitation	To ensure that 100% of households in formal settlements in Masilonyana area have access to basic level of sanitation by 2016	% of existing waste water treatment works upgraded	Progress report submitted	100% of waste water treatment works upgraded in Winburg/Makeleketa by June 2016	Achieved. Practical Completion certificate has been submitted		
	To ensure that 100% of households in formal settlements in Masilonyana area have access to basic level of sanitation by 2016	No. of households eradicated on buckets	No reporting was done under this indicator	2882 households eradicated buckets by December 2015	Achieved. This project was completed during 2013.		
Infrastructure	To ensure access to well maintained, quality sporting and recreational facilities in Masilonyana Municipal area	% of sport center constructed	No reporting was done under this indicator	100% of sport center constructed in Brandfort/Majwemasweu by June 2016	Not achieved	This project was not achieved due to non performance of the contractor. However the project is 97% complete.	The contractor is back on site to complete the project
	To ensure access to well maintained, quality sporting and recreational facilities in Masilonyana Municipal area	% of sport center constructed	No reporting was done under this indicator	100% of sport center constructed in Winburg/Makeleketa by June 2016	Not achieved	Contractor could not complete this project due to non-payment which was caused by cash flow challenges	The contractor is now back on site as payment has been effected

Law Enforcement and Safety	To ensure effective traffic management in Masilonyana Municipality	No. of municipal vehicles registered and licensed	80 Municipal vehicles registered and licensed	80 Municipal vehicles registered and licensed by June 2016	Achieved. Target was over achieved as more than 80 vehicles were registered for the year		
Disaster Management	Ensure an integrated, multi-sectoral approach to Disaster Management in all 5 MLM units	No. of Disaster Management Plan reviewed by June 2016	This is a new indicator, therefore no reporting was made.	1 Disaster Mngt Plan reviewed by June 2016	Achieved. Disaster Management Plan was reviewed and approved by Council on the 31st March 2016		
Parks and Recreational Facilities	To ensure access to well maintained, quality sporting and recreational facilities in Masilonyana Municipal area	No. of parks developed	Target was not set under this indicator. Therefore no reporting was done	2 parks developed by December 2015	Not achieved	Sites were identified and concept approved, however the project was kept on hold because of the drought season that is faced. 1 park in Masilo/Theunissen has been identified which is site number 3938 which is the Mayoral launching of the parks programme for Masilo, through the EPWP programme.	The project will continue after the drought season
Cemeteries	To ensure effective management of graveyards and cemeteries in Masilonyana Municipal area	% of new graves opened numbered and maintained	100% graves, opened, numbered and maintained	100% graves opened, numbered and maintained by June 2016	Achieved. Graves are opened, numbered and maintained		

Waste Removal	To ensure good waste management in Masilonyana Municipality	No. of households with access to refuse removal programme	Waste removal services provide to 15 849 households	Waste removal services provided to 15 849 households by June 2016	Achieved. Waste is removed as per the Waste Plan		
Town Hall and offices	Effective maintenance of Council buildings	No. of Council buildings maintained	Target was not set under this indicator. Therefore no reporting was done	1 Offices, and 2 halls maintained by June 2016	Achieved. Makelekehla hall and 1 office in Winburg were maintained using services of a Service Provider. Community hall at Verkleedevlei (Tsepong) has also been maintained as the hall was burnt down.		
Spatial Planning and Land Development	To encourage the appropriate and effective use of land and resources	No. of land use scheme developed	Target was not set under this indicator. Therefore no reporting was done	1 Land Use Scheme developed by June 2016	Not achieved	This is due to delays to procure services of a consultant to assist in the development of the Land Use Scheme. However Pula Strategic Resource Management was only appointed during July 2016 for the development of the Land Use Scheme.	Appointment letter has been forwarded to the Consultant and implementation will start leading to the project completed during 2016/2017
	To encourage the appropriate and effective use of land and resources	No. of SDF Developed	Target was not set under this indicator. Therefore no reporting was done	1 SDF developed by June 2016	Not achieved	This is due to delays to procure services of a consultant to assist in the development of the SDF. However Pula	Appointment letter has been forwarded to the Consultant and implementation will start leading to the project completed during 2016/2017

						Strategic Resource Management was only appointed during July 2016 for the development of the SDF.	
	To encourage the appropriate and effective use of land and resources	% of building plans submitted, processed and approved	36 business plans received and processed.	100% of building plans received and processed by June 2016	Achieved. 38 Buildings plans were received and processed by the Building Coordinator		
Human Settlements	To improve human settlement management	No. of two-roomed houses extended to four-roomed houses	Target was not set under this indicator. Therefore no reporting was done	101 Two-roomed houses extended to four-roomed houses at Soutpan by December 2015	Not achieved	During the review of the SDBIP during mid-year it was identified that the municipality does not have control on this project in terms of budget and implementation and this project is dependent on Department of Human Settlements	To do proper planning during 2016/2017 financial year
	To improve human settlement management	No. of incomplete RDP Houses Constructed	Target was not set under this indicator. Therefore no reporting was done	19 incomplete RDP Houses Constructed at Brandfort by December 2015	Not achieved	During the review of the SDBIP during mid-year it was identified that the municipality does not have control on this project in terms of budget and implementation and this project is dependent on Department of Human Settlements	To do proper planning during 2016/2017 financial year

	To improve human settlement management	No. of houses constructed	Target was not set under this indicator. Therefore no reporting was done	5 Houses constructed at Winburg by December 2015	Not achieved	During the review of the SDBIP during mid-year it was identified that the municipality does not have control on this project in terms of budget and implementation and this project is dependent on Department of Human Settlements	To do proper planning during 2016/2017 financial year
	Facilitation of beneficiary list for sites	No. of beneficiaries on the waiting list for sites	Target was not set under this indicator. Therefore no reporting was done	Beneficiary list for sites reviewed	35,368 beneficiary list for sites reviewed in all unit offices	Achieved. Beneficiary list for sites was reviewed every quarter in all unit offices.	
	Facilitation of beneficiary list for housing	No. of beneficiaries on the waiting list for housing	Target was not set under this indicator. Therefore no reporting was done	Beneficiary list for housing reviewed	8,108 beneficiary list for housing reviewed in all unit offices	Achieved. Beneficiary list for housing was reviewed every quarter in all unit offices.	
	Facilitation of list for households residing in informal settlements	No. of households residing in informal settlements	Target was not set under this indicator. Therefore no reporting was done	Households residing in informal settlements reviewed	5,127 households residing in informal settlements reviewed in all unit offices	Achieved. Households residing in informal settlements was reviewed every quarter in all unit offices.	
KPA 2: MUNICIPAL TRANSFORMATION AND DEVELOPMENT							
Employee Wellness	To improve staff morale	No. of organisational wellness programmes implemented	1 wellness conducted	1 organisational wellness programme conducted by December 2015	Achieved. Wellness event was conducted on the 16th October 2015		

Human Resources Management	To provide an efficient and effective Human Resources Support Service	No. of budgeted critical positions advertised	61 budgeted positions filled	18 budgeted critical positions filled by June 2016	Not achieved	This is due to delays of reviewing the organogram in order to prioritise on the critical posts.	critical positions shall be advertised by the municipality as organogram was approved during June 2016
Health and Safety	To ensure a healthy and safe working environment for councillors and employees	No. of Occupational Health and Safety Policy developed and implemented	Target was not set under this indicator. Therefore no reporting was done	1 Reviewed Occupational Health and Safety Policy by June 2016	Not achieved	This is due to delays in LLF seatings for recommendation of the policy to be approved by Council	Policy shall be approved during 2016/2017 financial year
Skills Development	To facilitate institutional transformation and development in Masilonyana Municipality	No. of approved employment equity plan reviewed	1 Employment Equity Plan and EE Policy reviewed and submitted to the Depart. of Labour.	1 Employment Equity Plan reviewed and submitted to the Department of Labour. 1 EE Policy reviewed by June 2016	Not achieved.	Department of Labour rejected the EPP and Policy hence their indication that there is no internal capacity to do the documents because of the absence of the Senior person in Corporate department	The municipality will further plan how will they deal with the success of this target
	To facilitate institutional transformation and development in Masilonyana Municipality	% of staff actually trained as per the Workplace Skills Plan	100% trainings conducted as per the workplace skills plan	staff actually trained as per the workplace skills plan by June 2016	Achieved. Staff has been trained as per the workplace skills plan		
Labour Relations	To promote fair fair Labour Practices	No. of Local Labour Forums meetings held	10 LLF meetings held	12 LLF meetings held by June 2016	Not achieved	Meetings could not seat as per scheduled due to other commitments experienced by committee members	The municipality will ensure that it complies with the LLF seating as scheduled

Administration	To provide an effective and efficient administration	No. of Council Calendar of events developed and approved by Council	1 Council Calendar of events developed and approved	1 Council Calendar of events developed and approved for 2015/2016 financial year by June 2016	Achieved. Council Calendar was developed and approved		
Records Management	To provide an effective and efficient administration	Establishment of the records management unit and review of Records Management policies	This is a new indicator, therefore no reporting was made.	Establishment of the records management unit and review of Record Management policies by June 2016	Achieved. Records Coordinator was transferred from Verkleedevlei to Theunissen to start the records Unit Office during 1st September 2015. Records Management Policy was also reviewed		
Information Technology	To provide an effective and efficient IT Service through the use of spisys	No. of IT Strategies developed and approved by Council	This is a new indicator, therefore no reporting was made.	1 IT Framework developed by June 2016	Not achieved	IT Framework is at a draft stage. Arrangements have been made with Cogta to assist with the Framework.	Framework will be tabled before Council during the 1st Quarter of 2016/2017
	To provide an effective and efficient IT Service through the use of spisys	Level of security with the server room	This is a new indicator, therefore no reporting was made.	Construction of a new server room by June 2016	Not achieved	Project is still at procurement stage.	Service provider will be appointed during the new financial year 2016/2017
	To provide an effective and efficient IT Service through the use of spisys	% of bandwidth to be improved	This is a new indicator, therefore no reporting was made.	50% of bandwidth improved by June 2016	Not achieved	Service Provider is on site and is busy with implementation	Project shall be completed by the end of July 2016 as consultant is busy on site

Integrate Development Plan	To ensure a developmental oriented planning institution in line with the requirements of local government laws and regulations by June 2016	No. of institutional plans developed	1 IDP document approved	1 IDP Document developed and approved for implementation by June 2016	Achieved. IDP was reviewed and approved by Council during June 2015		
Performance Management System	To ensure good governance in Masilonyana Municipality	No. of annual reports developed and published	1 Annual report approved	1 Annual report developed, approved by Council and printed for publication by June 2016	Achieved. Annual Report was developed and approved by Council as draft on the 22nd January 2016 and approved as final on the 31st March 2016		
	To ensure good governance in Masilonyana Municipality	No of PMS Policy Reviewed	1 PMS Policy and Framework developed	1 Reviewed PMS Policy by June 2016	Not approved	This is due to delays in LLF seatings for recommendation of the policy to be approved by Council	Policy shall be approved during 2016/2017 financial year
	To ensure good governance in Masilonyana Municipality	Level of compliance with the PMS Framework and Policy	This is a new indicator, therefore no reporting was made.	2 PMS Workshops conducted by March 2016	Achieved. PMS Workshop was held during 9th December 2015 for Senior and Line Managers. The other workshop was held during 2nd - 5th February 2015.		
Special Programmes	To streamline all special programmes	No. of Sports Indaba conducted	This is a new indicator, therefore no reporting was made.	1 Sports Indaba conducted by December 2015	Achieved. Sports Indaba was conducted on the 1st October 2015		

	To streamline all special programmes	No. of Disability Dialogues conducted	This is a new indicator, therefore no reporting was made.	1 Disability dialogues conducted by December 2015	Not achieved	This was due to Budget constraints	Municipality will implement this program when there is sufficient budget
	To streamline all special programmes	No. of Gender programmes conducted	This is a new indicator, therefore no reporting was made.	1 Gender programmes conducted by December 2015	Not achieved	This was due to Budget constraints	Municipality will implement this program when there is sufficient budget
	To streamline all special programmes	No. of Women programmes coordinated	1 Women day event celebrated during August 2014	1 Women day event celebrated by September 2015	Achieved. Women day event was conducted on the 28th August 2015 at Brandfort Town Hall		
KPA 3: LOCAL ECONOMIC DEVELOPMENT							
Economic Growth	To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of jobs created through EPWP	90 jobs created for EPWP	100 jobs created through EPWP for 2015/2016 financial year by June 2016	Not achieved	95 Jobs were created through EPWP for 2015/2016 financial year	EPWP Job creation will be aligned to planning in order to achieve the set target
	To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of strategies reviewed and approved by Council	Target was not set under this indicator. Therefore no reporting was done	LED Strategy is reviewed and approved by Council by June 2016	Not achieved	This is due to delays in the LED Forum seating	LED Strategy has been reviewed and shall be submitted to Council for approval during 2016/2017 financial year
	To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of SMME's Cooperatives and informal traders supported	21 SMME's and Cooperatives trained	15 SMME's, Cooperatives and Informal traders trained by March 2016	Achieved. Training was organised for the SMME's and Cooperatives during March 2016 through facilitation of SEDA.		

	To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of LED Lekgotla conducted	This is a new indicator, therefore no reporting was made.	1 LED Summit hosted by June 2016	Not achieved	This is due to budget constraints	Funding will be requested form other external stakeholders to ensure implementation of the summit programme
	To create employment opportunities in Masilonyana Municipal area based on projects and programmes outlined in the IDP and MTAS	No. of jobs created for samll businesses	11 jobs created for small businesses	3 jobs created for small businesses by Dec 2015	Achieved. 3 Appointment letters were given to SMME's for appontment of municipal service to be rendered which is Supply and Mantainance of tyres		
KPA 1: FINANCIAL VIABILITY AND MANAGEMENT							
Revenue Enhancement	To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2016	Amount of arrears at the closing of the Financial year	Target was not set under this indicator. Therefore no reporting was done	R272 250 of the money owed collected by June 2016	Not achieved.	1.Due to the financial systems challenges. 2.Inconsistant implemetation of the credit control policy	1. Billing to be performed timeously to ensure that challenges caused by the system are detected on time. 2. Radical implementation of credit control. Municipality has also appointed the debt collector who will be collecting cash on the municipality's behalf
	To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2017	No. of campaigns on registering indigents	1 campaign conducted	1 Campaign conducted on registering indigents by March 2016	Achieved. Campaign was conducted on the 1st February - 11 March 2016 in all municipal Units		

	To increase amount of revenue collected annually by ensuring full implementation of revenue strategy by June 2018	Improve payment to creditors	Target was not set under this indicator. Therefore no reporting was done	creditors payed within the specified period as the MFMA by June 2016	Not achieved	This is due mainly on the ability of the municipality to pay its creditors within 30 days	To spend based on the available cashflow 2. Procuring in line with the procurement plan to ensure that the cash flow is better managed
Budgeting and Reporting	To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001.	No. of annual budget compiled and approved by Council	Approved annual budget	Approved annual budget by June 2016	Achieved. Annual Budget was approved by Council during June 2016		
	To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001.	Timely approval of the adjustment budget	Approved adjustment budget	Approved adjustment budget by March 2016	Achieved. Adjustment budget was approved by Council during the 22 January 2016		
	To facilitate the financial viability of MLM as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001.	Approval of electricity tariffs by NERSA	1 nersa application submitted	1 nersa Application for electricity increase submitted by June 2016	Achieved. D-Forms were submitted to NERSA during October 2015 for electricity increase		
Expenditure Management	To improve expenditure processes by June 2016	Clear salaries suspense account	Salaries suspense account cleared	salaries suspence accounts cleared by June 2016	Achieved		
	To improve expenditure processes by June 2017	Verification of municipal employees	Municipal employees verified in all towns	Municipal employees verified in all towns by March 2016	Achieved. Employees were verified on the 30th May to the 1st June 2016 for all municipal units		

Supply Chain Management	To implement proper supply chain protocols in compliance with the MFMA legislation	Adjudicate tenders within 60 days	Target was not set under this indicator. Therefore no reporting was done	Tenders adjudicated within 60 days	Achieved. Tenders are adjudicated with 60 days		
Asset Management	To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	Verification of moveable and immovable assets	2 verifications of moveable and immovable assets	moveable and immovable assets verified bi-annually by June 2016	Achieved. Moveable and immovable assets have been verified. Asset control sheet serve as an evidence.		
	To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	Update of Fixed asset register	FAR updated	FAR updated by June 2016	Achieved. FAR register is updated on a monthly basis and additions list is included.		
	To manage, control and maintain all municipal assets according to MFMA regulations and good assets management practices	Inventory verification	2 inventory counts done	4 inventory count by June 2016	Achieved. Inventory is done for all the 4 Quarters. A manual inventory register is maintained on a monthly basis which includes all the inventory procured		
Financial Management, reporting and compliance	To improve compliance and adherence to legislation	No. of AFS compiled	AFS submitted on the 31st August	AFS compiled and submitted to AG on the 31st August	Achieved. AFS was submitted to the AG on the 31st August 2015		

	To improve compliance and adherence to legislation	No. of audit action plan to address all audit findings	1 Audit Action plan developed and approved	1 realistic audit action plan developed by June 2016	Achieved. Audit Action Plan was approved by Council on the 22nd January 2016. Audit Action Plan has been updated on a monthly basis through monthly meetings held by staff and management		
KPA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
Communications	To ensure functional system of internal and external communication	No. of communication activities implemented	Target was not set under this indicator. Therefore no reporting was done	1 newsletters published by December 2015	Not achieved	This was due to Budget constraints	Municipality will implement this program when there is sufficient budget
Public Participation	To improve community participation in the affairs of the municipality	No. of Mayoral Imbizos and outreach programmes held by June 2016	2 community participations held	1 Mayoral imbizos held and 2 community participations conducted by June 2016	Not achieved	Poor participation in attendance from the community which led to non-materialization of these meetings	Public Participation will be organised again during 2016/2017 financial year as it is still a standing target
Internal Audit	Improve internal controls for clean administration purposes by continuous implementation of policies and legislation	No. of audit committee meetings held	3 Audit committee meetings held	4 Audit Committee meetings held by June 2016	Achieved. Audit Committee Meeting was held on the 27 August 2015; 29 September 2015; 30 November 2015 and 24 May 2016		

	Improve internal controls for clean administration purposes by continuous implementation of policies and legislation	No. of internal audit reports on the implementation of the Annual Plan to Audit & Performance Committee	4 IA reports submitted	4 Audit reports on the implementation of the Audit Plan submitted to Audit Committee by June 2016	Achieved		
	Improve internal controls for clean administration purposes by continuous implementation of policies and legislation	No. of Performance audit committee held	3 Performance audit committee meetings held	4 Performance audit committee meetings held by June 2016	Achieved. Audit Committee Meeting was held on the 27 August 2015; 29 September 2015; 30 November 2015 and 24 May 2016		
	Improve internal controls for clean administration purposes by continuous implementation of policies and legislation	No. of Internal Audit Plans developed	1 Internal audit plan developed	1 Internal Audit Plan developed by December 2015	Achieved. Internal Audit Plan was developed and submitted to the Audit Committee		
Risk Management	To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risk assessment conducted	4 risks assessments conducted	4 Risks assessments conducted by June 2016	Achieved. Risks assessments were conducted for each department in all the 4 Quarters.		

	To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks workshops conducted	2 workshops conducted	2 Workshops conducted by March 2016	Achieved. Risks workshops were held from the 3rd - 6th August 2015 for all departments; 2nd workshop was held from the 12th - 15th January 2016. Attendance registers have been submitted		
	To ensure that MLM operates clear of anticipated risks of maladministration, fraud and corruption	No. of risks committee meetings conducted	4 risk committee meetings conducted	4 risk committee meetings conducted by June 2016	Achieved. Risk committee meetings was held on the 2nd July 2015; 22 October 2015; 23 February 2016 and 24 June 2016. Attendance registers have been submitted		
Legal Compliance	Provide an effective and efficient administration and legal support	No. of reports on legal matters	10 reports submitted	8 Reports submitted on all legal matters by June 2016	Achieved. Reports have been prepared in all legal activities		

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Departments	Approved posts	Employees No	Vacancies No	Vacancies %
30 JUNE 2015				
TECHNICAL SERVICES	356	160	196	
COMMUNITY SERVICES	347	100	247	
FINANCIAL SERVICES	59	35	24	
CORPORATE SERVICES	58	33	25	
MUNICIPAL MANAGER	12	18	6	
30 JUNE 2016				
TECHNICAL SERVICES	387	171	216	
COMMUNITY SERVICES	355	146	209	
FINANCIAL SERVICES	59	36	32	
CORPORATE SERVICES	57	37	20	
MUNICIPAL MANAGER	17	12	5	
LOCAL ECONOMIC DEVELOPMENT	16	6	10	

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

This chapter gives an account of organizational development performance with reference to the municipal workforce. Attention will be paid to the management of municipal workforce, workforce capacity building and workforce expenditure.

The Masilonyana workforce is dominated by African (blacks). We have managed to reduce ratio between African males and African females. 90% of the workforce remains African (blacks).

Although no persons with disabilities were recruited during this year we have 3 disabled employees in the service of the municipality. The municipality has also employed 2 foreign nationals to assist the municipality with infrastructure challenges.

The municipality has developed and adopted number of policies that are intended to create a fair, efficient and transparent system on matters affecting the employees. The municipality reviews these policies regularly to ensure that they are on par with best practices, new and amended legislation.

The Municipality has approved policies and procedures used to govern the institution, and these policies and procedures are communicated to the staff. As the municipality we do have the Employment Equity Plan however we do not meet the provincial equity targets.

The municipality embarked on a process to develop its own HR policies during 2013. The process entailed the development of new HR policies and the review of current HR policies. The policies were extensively workshopped by Councillors, Senior Management and Labour. After those workshops all inputs were incorporated in the draft policies and tabled in front of the Local Labour Forum for consultation. Final inputs were effected on those draft HR policies and the policies were submitted to the municipal council for approval. The following HR policies were approved by council on 31 July 2013:

The municipality is currently in process to review all HR policies and it is expected that the reviewed HR policies will be submitted to Council during July 2016 for approval. However the travelling allowance policy has already been reviewed and approved by Council on 30 June 2016. After approval of those policies by Council it was also workshopped with all employees in the employment of the municipality.

Those HR policies have assisted the municipality with their oversight role and general management of its human capital. Those policies further more clearly outlined the duties and responsibilities of the municipality and what is expected from employees.

Some of those policies such as the Bereavement Policy, Bursary Policy, Recruitment Policy, Wellness Programme Policy did assist a lot to ensure that correct procedures has been followed, necessary assistance to qualifying employees with regards to the development of much needed skills has been started to be attended to and that the municipality has improve on the wellbeing of its human capital. It has also make HR processes more transparent because the workforce was well informed of the existence and policy directions. It has made the process of ensuring sufficient budget for human capital more sufficient.

Except for HR policies other institutional policies was also developed and approved by the municipality. Those policies are the following:

- Financial Disclosure policy;
- Records Management Policy
- Delegation of Powers and Functions;

- Fleet Management Policy
- Relocation Policy;
- Manual on the promotion of access to information.

The above mentioned policies assisted the municipality to a great extent as it defined and outlined the roles and responsibilities of every role player sufficiently. It further assisted a lot with institutional management, oversight and reporting on the subject matters.

4.2 POLICIES

Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	PMS Policy and Framework	100	100	Adopted July 2015
2	22 HR Policies	100%	100%	July 2013
3	8 Budget related Policies	100%	100%	May 2015

4.3 INJURIES, SICKNESS AND SUSPENSIONS

A workshop was conducted by the department of Labour. It was inter alias concentrated on health and safety matters with one of its aims to reduce the number of injuries on duty. Because the municipality does not have its own medical practitioner it refers all injury on duty cases to DR Omar as Dr Omar has been contracted by the Department of Labour to handle injury on duty cases. Where applicable DR Omar is doing regular check up on those cases and keeps record of such cases.

The report covers the progress of Health and Safety Division and includes the following reports:

Employees injured on duty:

TYPES	CAUSE OF INJURY	NUMBER OF AFFECTED EMPLOYEES
Wellness Programme Related	Sport injury during official sport events	3
Eye injury	Chemicals used at water works	1

Bitten by spider	Water works	1
Leg, Arm & Knee injuries	Vehicle related injuries	3
Leg injury	Slip on floor	1
Total number of injured employees		9

TYPE OF INJURY		INJURY LEAVE DAYS TAKEN	EMPLOYEE USING INJURY LEAVE DAYS	AVERAGE INJURY LEAVE PER EMPLOYEE DAYS
Requested basic medical attention	2	26	0	13
Temporary total disablement				
Permanent disablement				
Fatal				
Total	2	26	0	13

The total number of IOD leave days taken by injured employees was 26 days.

NB: None of the injured employees was placed on light duty and all of the injured employees are doing their normal duties.

All employees working with hazardous substances were vaccinated for hepatitis and underwent x-rays. 143 employees attended the program

Awareness Campaign

An awareness week campaign was done at all units where by employees were educate on matters relating to Occupational Health & Safety issues held on Health and Safety in the work place.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Employee is alleged that on the 09th May 2016, He intentionally fraudulently altered doctor's medical certificate from 11th May 2016 which is the date he was supposed to come back to work from sick leave to 13th May 2016.

T 4.3.7

Number and Period of Suspensions				
Position	Nature of the Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reason why not Finalized	Date Finalized
Refuse removal	Dishonesty	23 June 2016	Pending , still investigating	Pending
				T 4.3.5

Disciplinary Actions Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and value of loss to the Municipality	Disciplinary Action taken	Date Finalized
None	None	None	None
			T 4.3.6

4.4 PERFORMANCE REWARDS

The municipality is currently not paying or issuing out any performance management rewards. Under the year of reporting no rewards were paid to S56 managers as well as municipal employees. The municipal council approved the PMS Policy and Framework that will provide a guideline on how municipal performance is to be governed. As at 30 June 2016 the PMS only catered for the Senior Management, however plans have been put in place to ensure that the system is cascaded to other post levels.

The performance audit committee played a significant role in ensuring that the municipality complies with certain components of performance management. Quarterly performance reports were prepared by HoD's and presented before the Performance Audit Committee on a regular basis. This mechanism ensured that non-performance is detected and corrected at an early stage.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Although the EE plan was approved by the municipality during the previous financial year it was rejected by the department of labour. We are currently in process to attend to the requirements of the department of Labour and it is envisaged that the EE plan will become operational during this financial year.

Skills audit was conducted wherein we have been able to identify training needs of staff within our municipality. A workplace skills plan was developed and discussed with all internal role players. The WSP was submitted to LGSETA indicating all focus areas where training is needed. Training has improved drastically as the number of employees trained has increased.

Skills audit was conducted wherein we have identified which employees need training. WSP was submitted to LGSETA with all focus area of training. The Municipality has also applied for Discretionary grant to LGSETA to assist the Municipal budget in order to implement trainings.

Training has improved drastically as the number of employees trained has increased. The training budget should be increased so that we can be able to train more employees.

4.5 SKILLS DEVELOPMENT AND TRAINING

LGSETA STRATEGIC FOCUS AREA	MUNICIPAL KEY PERFORMANCE AREA	MAIN IDP PRIORITY LINKED TO KEY PERFORMANCE AREA	TOTAL NUMBER TRAINED					
			EMPLOYED		TOTAL	UNEMPLOYED		TOTAL
			FEMALE	MALE		FEMALE	MALE	
Infrastructure and Service Delivery	Basic Service Delivery and Infrastructure Development	To ensure that households in Masilonyana Municipality have to basic services	6	18	24	2	5	7
Community Based Participation and Planning	Good Governance and the Deepening of Democracy	To ensure good governance	14	25	39	9	11	40
Management and Leadership	Municipal Transformation and Institutional Development	To facilitate institutional transformation and development in the municipality	3	2	5			
Financial Viability	Municipal Financial Viability and Management	To facilitate the financial viability of the Municipality	27	21	48			
Community Based Participation and Planning	Sustainable Local Economic Development	To create employment opportunities	2	6	8			
SUB-TOTAL					124			47

NUMBER OF BENEFICIARIES WHO COMPLETED TRAINING BY TYPE OF LEARNING INTERVENTION										
TYPE OF LEARNING INTERVENTION	NUMBER OF BENEFICIARIES BY OCCUPATION CATEGORY									TOTAL
	Legislators	Managers/ Coordinators	Professionals	Technicians and Trade Workers	Community and Personal Services Workers	Clerical and Administrative Workers	Sales and Service Workers	Machinery Operators and Drivers	Elementary Workers	
Apprenticeship										
Bursary	5	5	1	1		16	2			30
Learnership	1	11		1		9		8	11	41
RPL								10		10
Skills Programme								2	41	43
Short Course: Non-credit										
TOTAL										124

TYPE OF LEARNING INTERVENTION BY NQF LEVEL												
TYPE OF LEARNING INTERVENTION	NQF LEVEL OF LEARNING INTERVENTIONS										TOTAL	
	1	2	3	4	5	6	7	8	9	10		
Apprenticeship	0	0	0	0	0	0	0	0	0	0	0	0
Bursary	0	0	0	0	30	0	0	0	0	0	0	30
Learnership	0	0	14	24	2		0	0	0	0	0	40
RPL		10	0	0	0	0	0	0	0	0	0	10
Skills Programme	6	18	10	10	0	0	0	0	0	0	0	44
Short Course: Non-credit	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL					0		0	0	0	0	0	124

COMPLIANCE WITH THE PRESCRIBED MINIMUM COMPETENCIES

The municipality has however made strides with regards to minimum competency levels as prescribed by National Treasury. Over and above the numerous capacity building interventions MFMP training was still prioritized as a matter of urgency due to compliance with the Treasury Regulations. The municipality now complies with a much greater extend with the Treasury Regulations. The MFMP training for qualifying employees will be extended over the next financial year. The following MF MP trainings was conducted during this financial year:

REPORT ON MUNICIPAL FINANCE MANAGEMENT PROGRAMME

Service Provider: Deloitte

Date: 2013/2014

Chamuka Consultants

Date: 2014/2015 Financial year

Venue: Brandford

SENIOR MANAGERS

Names	Designation	Department	Division	Status of completion
Mr M.D. Nthau	Senior Manager: Corporate Services	Corporate Services	-	Completed - Waiting for the results to be uploaded on the system
Ms. Fikile Mzizi	Chief Financial Officer	Finance	-	Completed - Waiting for the results to be uploaded on the system
Mrs E. Makgahlela	Senior Manager: Social and Community Services	Social & Community Services	-	Completed - Waiting for the results to be uploaded in the system
Mr. F. Malatji	Acting Director: Infrsatructure and Technical Services	Technical & Infrastructure	-	Not registered

CHAPTER 5 – FINANCIAL PERFORMANCE

This chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Masilonyana Local Municipality

Annual Financial Statements for the year ended 30 June 2016

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue from exchange transactions			
Service charges	20	76 175 744	66 259 866
Rental of facilities and equipment	21	253 261	240 582
Other income		332 595	17 074
Interest received	23	8 108 445	5 105 135
Dividends received	23	4 860	4 692
Total revenue from exchange transactions		84 874 905	71 627 349
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	24	34 491 554	16 585 703
Transfer revenue			
Government grants & subsidies	25	155 631 208	163 397 470

Fines, Penalties and Forfeits		260 000	43 053
Total revenue from non-exchange transactions		191 382 762	180 071 226
Total revenue	19	276 257 667	251 698 575
Expenditure			
Employee related costs	26	85 762 781	73 232 764
Remuneration of councilors	27	6 252 891	4 938 593
Depreciation and amortization	28	23 656 834	25 847 056
Finance costs	29	7 848 457	4 789 733
Lease rentals on operating lease		6 546 934	589 968
Debt Impairment	30	52 977 513	29 492 636
Repairs and maintenance		26 228 231	13 202 007
Bulk purchases	31	33 769 606	34 082 940
General Expenses	32	33 011 629	41 743 219
Total expenditure		276 054 876	227 918 916
Operating surplus (deficit)		202 791	23 779 659
Gain on disposal of assets and liabilities		473 745	-
Fair value adjustments	33	(2 315)	4 824
Actuarial gains/losses	16	(652 427)	(186 235)
		(180 997)	(181 411)
Surplus (deficit) for the year		21 794	23 598 248

5.2 GRANTS AND SUBSIDIES

Government grants and subsidies	2016	2015
Operating grants		
Equitable share	88 321 000	84 850 000
Municipal Systems Improvement Grant	930 000	9 34 001
Local Government Financial Management Grant	2 616 331	3 191 342
Local Government Sector Education Training Authority	118 538	148 382
Expanded Public Works Programme	1 112 000	1 023 000
	93 097 869	90 146 725
Capital grants		
Regional Bulk Infrastructure Grant	38 956 939	48 697 549
Municipal Infrastructure Grant	22 076 400	23 671 417
Accelerated Community Infrastructure Program	-	881 779
Integrated National Electrification Programme Grant	1 500 000	-
	62 533 339	73 250 745
	155 631 208	163 397 470
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants received	68 450 522	79 039 520
Unconditional grants received	88 321 000	84 850 000
	156 771 522	163 889 520

ASSET MANAGEMENT

Purpose: Prudent management of municipal infrastructure assets as well as regular maintenance of those assets in order to meet the constitutional mandate as outlined in the constitution of South Africa.

Measurable objectives: To ensure that the assets of the municipality are safe guarded and regularly maintained.

In the financial period under review the focus area was the refurbishment of the existing infrastructure in order to ensure that the community at large has full access to water. The major refurbishments were the pump stations as well as the Boreholes.

In addition to the refurbishments that were done the major procurement for the year amounting to **R8 million** were the two graders as well as one cherry picker for the municipality. The main objective of these procurements was the enhancement of service delivery. The municipality continuously endeavors to improve its asset management by putting policies; principles and processes in place that speaks to the vision of the municipality. As such the Asset Management Policy and Assets Maintenance plan, were developed. These covers key elements such as asset acquisition, asset maintenance, asset disposal, asset transfer and insurance matters. This policy was tabled and adopted by council on the 30 June 2016.

The municipality's infrastructure assets is ageing and this cost the municipality more on repairs and maintains. The municipality also had redundant assets which were disposed of in the 2015/2016 financial year.

The management of the municipality also successfully negotiated and got an insurance payout for an amount of **R4 328 885.63** for the two municipal properties that were burnt down during community unrest in 2015 in Winburg and Verkeerdevlei.

COMPONENT B: CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW

Annual Financial Statements for the year ended 30 June 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Sale of goods and services		19 968 969	39 797 487
Grants		163 014 413	144 719 894
Interest income		8 108 445	5 105 135
Dividends received		4860	4 692
Fines, penalties and forfeits		260 000	43 053
		191 356 687	189 670 262
Payments			
Employee costs		(85 762 781)	(76 459 476)
Suppliers		(72 160 145)	(59 312 450)
Finance costs		(7 700 096)	(3 545 431)
Taxation		5 157 859	(2 666 571)
		(160 465 163)	(141 983 928)
Net cash flows from operating activities	35	30 891 524	47 686 334

Cash flows from investing activities

Purchase of property, plant and equipment	10	(48 831 934)	(32 687 954)
Proceeds from sale of property, plant and equipment	10	473 745	-
		(48 358 189)	(32 687 954)

Cash flows from financing activities

Repayment of other financial liabilities		(428 916)	(414 916)
Finance lease payments		1 197 800	(462 708)

Net cash flows from financing activities **768 884** **(877 624)**

Net increase/ (decrease) in cash and cash equivalents		(16 697 781)	14 120 756
Cash and cash equivalents at the beginning of the year		17 698 953	3 578 197
Cash and cash equivalents at the end of the year		1 001 172	17 698 953

BORROWING AND INVESTMENTS**Other financial liabilities**

Development Bank of South Africa	2 359 763	2 788 679
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The Development Bank of South Africa loan expires on 1st April 2020, and the terms

Stipulates that payments should be made quarterly, interest accrues on the outstanding

balance and the rate is 12,5% per annum and at 14,5% per annum on payments in arrears.

	2 359 763	2 788 679
Total other financial liabilities	2 359 763	2 788 679

5.7 SUPPLY CHAIN MANAGEMENT

The functions of the SCM unit involve;

1. Managing demand procedures and acquisitions including policies, procedures, database, compliance and adherence to prescribed procurement practices
2. Ensuring tender evaluation and contract prescript are adhered to
3. Managing compliance, risks, performance and reporting in the supply chain management system
4. Coordinating, controlling and applying logistics management practices and procedures in order to administer and manage the receipt, safeguarding and issuing of store items.

The municipality's Supply Chain Management is a unit within the Finance Section. It is comprised of:

- The Chief Financial Officer (Head of SCM Unit)
- SCM Practitioner;
- SCM Officer
- 1 Finance Intern

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.

INTERNAL SCM PROCEDURES AND PROCESSES

Threshold values

The threshold values have been determined as follows:

- 1) Up to R1, 000 (vat included) – One written price quotation
- 2) R1, 001 - R2, 000 (vat included) – Two written price quotations
- 3) R2, 001 – R30, 000 (vat included) – Three written price quotations
- 4) R30, 001 – R200, 000 (vat included) –Seven days bidding process (RFQ)
- 5) Above R200, 000 (vat included) – Competitive bidding process

SCM Process for acquisitions up to R200 000.00

The SCM process of Masilonyana Local Municipality operates as follows;

- Demand Form – The requesting department completes a demand form which is approved by the Head of Department or any delegated official. The demand form is submitted to SCM practitioner who sources quotations.
- A requisition is raised by the SCM Practitioner and approved by the CFO and the Municipal Manager.
- Purchase Order – Based on the above thresholds, quotations are sourced from potential suppliers. A purchase order is raised for the awarded quotation. The orders are done in triplicate of which one copy is sent to the supplier, one copy for filing and one copy is sent to creditors for processing. The order numbers are sequentially numbered from the system. The purchase orders are approved by the CFO and in his absence by a Senior Official delegated by the CFO.

The SCM processes are monitored monthly by use of irregular expenditure registers and deviations registers.

SCM Process for acquisition above R200 000.00

Bid Documents

The bids documents are as prescribed by the National Treasury include the General Conditions of Contract.

Bid Committee Structures

The following committees have been established:

- i) The bid specification committee
- ii) The bid evaluation committee
- iii) The adjudication committee

The Accounting Officer appoints members for each committee.

According to the SCM policy the composition of the above committees should be as follows:

- i) Bid Specification committee – must be composed of
 - a) One or more officials of the municipality, preferably from user departments requiring the goods or services.
 - b) SCM practitioners
 - c) And when appropriate, include external technical specialists.

- ii) Bid evaluation committee – must as far as possible be composed of
 - a) Officials from departments requiring the goods and services
 - b) At least one SCM practitioner of the municipality

- iii) Bid adjudication committee – must consist of
 - a) at least four senior managers of the municipality (including the CFO)
 - b) At least one SCM practitioner who is an official of the municipality
 - c) A technical expert in the relevant field who is an official of the municipality

Compliance – The bid committees meet the requirements of the SCM policy and SCM regulations.

MUNICIPAL SERVICE CHARGES ASSESSMENT AND OUTSTANDING DEBTORS

Outstanding Debtors as at 30 June 2016

As at 30 June 2016, Masilonyana Local Municipality had outstanding debtors of R417 833 346. The table below shows debtors per source for the two financial years, i.e. 2014/2015 and 2015/2016 financial years:

Debtors by source	2014/2015 Gross Amount	2015/2016 Gross Amount
Property Rates	R 49 379 579	R 60 292 979
Electricity	R129 681 946	R 112 429 206
Water	R 70 053 595	R 95 505 613
Sewerage	R 37 768 293	R 79 738 489
Refuse	R 72 657 808	R 43 749 173
Other	R 1 412 553	R 41 499 290
Total	R 360 953 774	R433 214 750

N.B. The information disclosed above is populated from note 7 of the Annual Financial Statement 2015/2016

CHAPTER 6 – AUDITOR GENERAL’S FINDINGS

2014/2015 AUDIT ACTION PLAN

Functional Area	FINDING	ROOT CAUSE	REMIDIAL ACTION	COMPLETION DATE	RESPONSIBLE DEPARTMENT	PROGRESS AS AT REPORTING DATE
	Payables: Invoices before year end not accrued (EX.162)	Lack of management oversight with regard to recording of transactions in the accounting records.	Daily capturing of supplier invoices upon receipt.	Monthly	Finance	None
Request year-end customer statements, and perform year-end reconciliation.			30/06/2016			
Complete and accurate list of invoices paid after			31/07/2016			
	Payables: Trade creditors reconciliations not perform (EX.34)	Lack of proper preparation of regular, accurate and complete financial statements that are supported and evidenced by reliable information (e.g. the preparation of	Daily capturing of supplier invoices upon receipt.	Monthly	Finance	Partially complete.
Monthly reconciliation of data on Pastel vs ABSA BI Online.			Monthly			
Supplier database to be updated to ensure correct contact information is used for requesting monthly statements.			Quarterly			

		monthly creditors' reconciliations).				
	Payables (Leave accrual): Prior year misstatements (EX.19)	The cause of the above is due to proper monitoring controls not being in place to ensure that this was correctly rectified.	Support will be received from payday to address system related issues. Maintain proper record keeping of supportig documentation.	31/03/2016	Finance	Partially complete
	Payables: Third party payments on salary deductions not made timeously (EX.36)	The municipality experienced serious cash flow problems.	Ensure that payments are paid before the 7th of each month. In cases where this is not possible, signed arrangement must be made and documented.	Monthly	Finance	Partially complete
COMPLIANCE	Compliance (Budget) - Information could not be submitted to confirm that laws and regulations were complied with (EX.177)	The above has resulted due to management failure to provide the above information.	This finding was resolved and all the necesssary documentation was submitted before the final audit report was issued.	Achieved	Finance	Achieved
	Compliance: Tabling and adoption of oversight report of the annual report for 2012-13 and	The management of the Municipality did not timeously address the changes in the draft	The two reports were tabled before the council on 25 January 2016.	1/25/2016	Finance	Report to be tabled to council

	2013-14 by council (EX.24)	annual report to ensure it is submitted to Council.				
	Subsequent events: No formal documented processes to identify subsequent events (EX.22)	Lack of management oversight over disclosures in the financial statements to ensure it is accurate and correct.	The formal procedure has been developed. Will be tabled before the council in March 2016.	3/31/2016	Finance	draft report developed
IMMOV ABLES	PPE: Assets that could not be physically verified (EX.103)	Management did not ensure that the asset register contains sufficient descriptions to pinpoint the location of assets.	We are currently updating the asset register so that it includes all the necessary information for physical verification purposes.	30-Apr-16	Finance	A list of damaged and lost assets is currently being compiled and will be tabled before the council for the approval of the derecognition of those assets in the fixed asset register.
	PPE: Prior year - Assets not assessed for impairment (EX.81)	The cause of the above is that management did not prioritize matters raised in the previous year audit to ensure that they are corrected.	We have requested support from provincial treasury to give guidance on the methodology to be used when assessing the residual value, useful life as well as impairment of the assets.	31-Mar-16	Finance	A formal communique has been sent and we are still awaiting response.

	PPE: Prior year error - Costs of components of boreholes not structured (EX.82)	Management did not ensure that boreholes were fully componentised as required .	We have requested support from provincial treasury to give guidance on the methodology to be used when assessing the residual value, useful life as well as impairment of the assets.	31-Mar-16	Finance	A formal communique has been sent and we are still awaiting response.
	PPE: Internal control deficiency identified on asset maintenance plans (EX.10)	Lack of oversight by management over property, plant and equipment.	We are currently drafting maintenance plans for all categories of assets.	29-Feb-16	Finance	A draft fleet policy has been developed and a draft maintenance plan is still in progress.
	PPE: Prior year misstatement - Assets not componentised (EX.51)	Management did not ensure that boreholes were fully componentised as required .	We have requested support from provincial treasury to give guidance on the methodology to be used when assessing the residual value, useful life as well as impairment of the assets.	31-Mar-16	Finance	A formal communique has been sent and we are still awaiting response.
INVENTORY	Inventory: Internal control deficiencies identified relating to the stock count (EX.160)	The cause of the above is due to controls not being in place relating to the processes that needs to be followed for an inventory count.	The inventory procedure manual has been developed. Two officials who will now perform the duties of the store clerk have been identified and are now working at stores. Daily inventory recording sheets have been developed and implemented for	31-Mar-16	Finance	Inventory procured, issued and obsolete is manually updated daily. The system is currently being updated so that

			recording of inventory, received issued and obsolete.			the inventory at hand is in line with the physical inventory in stores.
	Inventory: Disclosed inventory is not complete (EX.166)	The cause of the above is that management did not apply GRAP 12 for inventory to ensure that the disclosure of inventory is accurate and complete	<p>The inventory procedure manual has been developed.</p> <p>Two officials who will now perform the duties of the store clerk have been identified and are now working at stores. Daily inventory recording sheets have been developed and implemented for recording of inventory, received issued and obsolete.</p>	31-Mar-16	Finance	<p>Inventory procured, issued and obsolete is manually updated daily. The system is currently being updated so that the inventory at hand is in line with the physical inventory in stores.</p> <p>Because of the controls that are now in place consumables on hand at the end of financial period will be classified as inventory as required by GRAP 12.</p>

MOVABLE ASSETS	PPE: Assets not traced to the asset register (EX.111)	Management did not take steps to ensure that controls over the accuracy and correctness of the assets register.	We are currently updating the asset register so that it includes all the necessary information for physical verification purposes.	31-Mar-16	Finance	A list of damaged and lost assets is currently being compiled and will be tabled before the council for the approval of the derecognition of those assets in the fixed asset register.
	PPE: Emergency equipment assets not barcoded in the asset register (EX.126)	Management did not take necessary steps to review the assets register to ensure that there are no deficiencies.	Management is not in agreement with this finding due to the nature of the assets which the AG is proposing that they should be barcoded. We have alternatively updated the asset register with more information relating to the color, size and quantity of JOJO tanks	15-Feb-16	Finance	Fixed asset register has been updated with the additional information.
	PPE: Obsolete assets with no unique asset number or barcode (EX.56)	Relating to keyboards, initially they were not barcoded - Other barcodes fell off and no due care was taken in order to ensure that they were replaced or placed back on to the assets.	A list of damaged and lost assets is currently being compiled and will be tabled before the council for the approval of the derecognition of those assets in the fixed asset register.	22-Jan-16	Finance	Damaged assets for all units are currently being identified.

		- Vehicles, no due care was taken in order to ensure that the list of obsolete goods was filled in completely.				
	PPE: Assets in the asset register do not have barcoded (EX.66)	Management did not take necessary steps to review the assets register to ensure that there are no deficiencies	A 100% physical verification for both movable and immovable assets has been scheduled to start from 01 February 2016 until 29 February 2016. This exercise will ensure that all assets that are not barcoded are identified and barcoded.	29-Feb-16	Finance	Custodians of the assets are educated on the importance of safeguarding of municipal assets allocated to them.
OPERATING EXPENDITURE	Procurement: Declaration of interest not submitted by suppliers (EX.44)	The matter is caused by the municipality continuing to procure the services of these suppliers without obtaining the declaration of interest forms	A thorough check will be done to verify suppliers prior appointed if their declarations are true reflection to what is filled on the tender document.	Ongoing	Finance	In progress
	Procurement: Declaration of interest forms not obtained for procurement of awards between R10 000 to R30 000 (EX.61)	Management indicated that they was not aware that the MBD4 form is required for quotations between R10 000 and R30 000, therefore control activities were not established to ensure that all laws and regulations are complied with.	We will ensure that compliance is enforce in accordance with section 13(b) of the SCM regulation	Ongoing	Finance	In progress

	Irregular, fruitless and wasteful and unauthorised expenditure: No investigation (EX.86)	Lack of proper and effective monitoring by management to ensure that unauthorised, irregular, and fruitless and wasteful expenditure are investigated	The ifwu expenditure registers are developed to ensure compliance therefore investigation will be easily conducted.	15-Apr-16	Finance	In progress
	Procurement: Construction contracts not advertised and registered on the CIDB Database (EX.101)	Management experienced difficulties with the registration of suppliers on the CIDB website.	We will ensure that compliance is enforced with requirements of the CIDB regulation and ensure that all construction contracts are registered on the CIDB website.	Ongoing	Finance	In progress
	Procurement: Non-compliance with SCM regulations and MSA act (EX.108)	Lack of management oversight regarding the implementation of the relevant laws and regulation	We will ensure that compliance is enforce in accordance with section 6(2)(a)(i)&(ii); 6(3) & 50(1) of the SCM regulation	Monthly	Finance	In progress
	Procurement: BBEE Scores awarded to suppliers without valid BBEE Certificates (EX.112)	The bid evaluations committee and the bid adjudication committee did not correctly apply the Supply Chain Management policy and the Preferential Procurement Policy Framework Act which requires that no points may be awarded to the bidder with invalid B-BBEE Status Level	A thorough check will be done to avoid scoring bidders if invalid BBEE Certificate.	Ongoing	Finance	In progress

		Verification Certificates or certified copies thereof.				
	Procurement: Contract performance monitoring measures not implemented by the municipality (EX.117)	Management did not establish monitoring controls over contracts.	Improved contract management: Capacity building within the technical services and SCM Department need to be initiated and enhanced. The performance of the appointed contractor will be monitored on a monthly basis as required by section 116 (2)(b) of the MFMA	Ongoing	Finance	In progress
	Procurement (consultants): Lack of internal controls to ensure value for money of use of work of consultants (EX.129)	Management did not take responsibility to ensure that there are sufficient monitoring controls in place over the work of the consultants.	The primary aim of the appointment of consultants is to supplement inadequacies of skills at municipality as the municipality was not performing well. The champion department will be actively involved in all the processes and ensure that there is skills transfer so that reliance on consultants can be reduced. <ul style="list-style-type: none"> • The consultant have to visit the municipality regularly; • The consultant must submit progress reports; • The consultant will be monitored based on a monthly basis • We will ensure that the consultant conduct trainings and seminars; 	Ongoing	Finance	In progress

	Procurement (consultants): It could not be confirmed that skills were transferred by the consultants appointed (EX.135)	Lack of management oversight on proper monitoring of the contractual terms with the consultants	<p>The primary aim of the appointment of consultants is to supplement inadequacies of skills at municipality as the municipality was not performing well. The champion department will be actively involved in all the processes and ensure that there is skills transfer so that reliance on consultants can be reduced.</p> <ul style="list-style-type: none"> • The consultant have to visit the municipality regularly; • The consultant must submit progress reports; • The consultant will be monitored based on a monthly basis • We will ensure that the consultant conduct trainings and seminars; 	Ongoing	Finance	In progress
	Procurement (consultants): No evidence of transfer of skills (EX.139)	Lack of management oversight on the review of the contract terms to ensure that it is in line with the SCM guide.	<p>The primary aim of the appointment of consultants is to supplement inadequacies of skills at municipality as the municipality was not performing well. The champion department will be actively involved in all the processes and ensure that there is skills transfer so that reliance on consultants can be reduced.</p> <ul style="list-style-type: none"> • The consultant have to visit the municipality regularly; • The consultant must submit progress reports; • The consultant will be monitored based on a monthly basis 	Ongoing	Finance	In progress

			<ul style="list-style-type: none"> We will ensure that the consultant conduct trainings and seminars; 			
	Procurement (consultants): No monitoring of consultants work and/or performance (EX.140)	Lack of management oversight on the contract monitoring measures of the work of consultants.	Improved contract management: Capacity building within the champion department and SCM Department need to be initiated and enhanced. The performance of the appointed contractor will be monitored on a monthly basis as required by section 116 (2)(b) of the MFMA	Ongoing	Finance	In progress
	Procurement: Deviations not reported to the council meetings (EX.161)	Lack of management oversight in compliance with the SCM policy.	We will ensure that compliance is enforce in accordance with section 36(b) of the SCM regulation	Monthly	Finance	In progress
	Procurement: Deviations from the procurement process not included in the financial statements (EX.68)	Management did not identify and record all deviations that occurred during the year in the deviation register.	Deviation register is developed and monitored every month to ensure compliance	Monthly	Finance	In progress
	Procurement: Listing criteria not specified for prospective providers (EX.75)	Lack of management oversight with regard to the requirements of the SCM policy.	The SCM policy will be ammended to ensure that listing criteria is specified for prospective service providers	31-Mar-16	Finance	In progress

	General expenses: Payments vouchers not approved by a delegated official (EX.87)	Lack of oversight from management to ensure that payment vouchers and journals are duly authorised by delegated officials.	Management to develop and implement controls to ensure that payments are only made once there are authorisations by delegated officials.	Ongoing	Finance	In progress
RECEIVABLES	Receivables: Weak internal controls over debtors (EX.14)	There is no monitoring controls in place to ensure that this is done accurately	<p><u>New and Current Debtors</u> Customers notification of change of address forms are available for debtors. These forms were provided to the post office to insert in the boxes of all residents and also the Afriforum was requested to notify members of the community to provide the municipality with their current contact details. The contact details of the consumers will be updated on a monthly basis before the 15th of each month.</p> <p><u>Disconnections</u> Customers provide the municipality with their current addresses on the disconnection form. On receipt of disconnection form the final reading are done immediately on the same date a manual final account is provided to the consumer. The new address will be updated immediately on the system.</p> <p>Notices have been sent out to customers to come and update the information.</p>	Ongoing	Finance	In progress

			<p>Challenge: Farms addresses not updated. To address</p> <p>End of the month to sit in a meeting with CFO,MM, Legal</p>			
	<p>Receivables: Limitation of scope relating to indigent debtors (EX.141)</p>	<p>Insufficient controls from management regarding filing of documentation and retrieval for audit purposes.</p>	<p>Proper record keeping will be in place through the following.</p> <ul style="list-style-type: none"> -A manual register of indigent applications received will be kept applicants will complete their details in this register. The forms will be sent to relevant ward councillors for approval. Upon return of applications we will reconcile applications sent as per the manual register and what we received back from the ward councillors. A separate file containing approved and not approved indigent applications will be kept. - The approved indigents applications will be updated on the the register of approved indigent. - A reconciliation between the indigent register, approved indigent applications and indigents as per accounting system will be performed on a monthly basis 	Ongoing	Finance	In progress

			To have the meeting to be arranged by Mr Tshiliso with councillors for next week Friday			
	Receivables: Differences in age analysis report and pastel (accounting system) (EX.142)	The above mentioned resulted due to now reconciliation between the account balance's per age analysis report and the accounting system.	Consultants from Camelsa will be consulted for this matter as it was a result of an system error. Follow up will be done with CAMELSA Monday 07 March 2016.	30-Apr-16	Finance	In progress
	Receivables: Debtors raised in the name of the municipality (EX.148)	Did not implement controls over daily and monthly processing and reconciling of transactions.	The social and community services department will be requested to indicate which properties are owned and utilised by municipality, owned and rented out externally and owned by consumers but not yet registered in their names. The municipal properties will also be exempt from being billed For properties owned by the municipality the monthly services charged will be send to the expenditure department for collection. Where a cheque will be written out and expenditure department will be allocated against the relevant departmental vote .	31-Mar-16	Finance	In progress

	Receivables: Supporting documentation for suspense account could not be obtained (EX.176)	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	A file are kept with supporting documents for movement in suspense account. Suspense account to be cleared on a monthly basis.	Monthly	Finance	In progress
	Receivables: Internal control deficiencies relating to Indigent Customers (EX.93)	Applications are approved without proper reviewing procedures from management.	<p>Proper record keeping will be in place through the following.</p> <ul style="list-style-type: none"> -A manual register of indigent applications received will be kept applicants will complete their details in this register. The forms will be sent to relevant ward councillors for approval. Upon return of applications we will reconcile applications sent as per the manual register and what we received back from the ward councillors. A separate file containing approved and not approved indigent applications will be kept. - The approved indigents applications will be updated on the the register of approved indigent. - A reconciliation between the indigent register, approved indigent applications and indigents as per accounting 	Ongoing	Finance	In progress

			system will be performed on a monthly basis			
RELATED PARTIES	Related parties: There are no formal documented processes in place to identify related parties (EX.21)	Lack of management oversight over disclosures in the financial statements to ensure it is accurate and correct	<p>Prior to AFS being submitted to AG, a high level review will be performed to ensure that all disclosures are correctly disclosed</p> <p>Processes will be developed and documented after communicate with Tswelopele Mun. Mugelane to do follow up</p>		Finance	
	Accumulated surplus: Journal discrepancies on the accumulated surplus account (EX.116)	Management did not perform and adequate review of the financial statements to ensure that they are free from misstatements.	Prior to processing the journals on the GL, a working paper accompanied by the relevant support and a journal form will be reviewed to ensure that correct journals are passed		Finance	
	Accumulated surplus: Differences identified (EX.97)	The above mentioned resulted due to management not performing and adequate review of the financial statements to ensure that they are free from misstatements before submission for audit purposes.	Prior to AFS being submitted to AG, a high level review will be performed to ensure that all disclosures are correctly disclosed		Finance	
REVENUE	Revenue (Service charges): Prior year uncorrected misstatements (EX.16)	Slow response by management to correct the	Correction journals to be prepared and captured by 28 February 2016.	31-May-16	Finance	In Progress

		issues identified in the previous financial year				
	Revenue: Distribution losses not calculated and disclosed (EX.171)	<p>(a) A proper review was not done of the financial statements to ensure that all the required disclosures are made in the financial statements</p> <p>(b) Management did not prioritise controls and actions that would reduce electricity and water losses and there is lack of oversight responsibility on compliance with MFMA.</p>	Investigations on relevant accounts to be performed and where applicable correction journals to be prepared and captured by 28 February 2016.	28-Feb-16	Finance	In Progress
	Revenue - Service charges no meter readings for water and electricity (EX.73)	The cause of the above is that the municipality have not fixed the water or electricity meter of customer accounts that were not in a working condition.	<p>Investigations on relevant accounts to be performed and where applicable correction journals to be prepared and captured by 28 February 2016.</p> <p>Technical to identify all the meters that can be repaired and the cost implications so that they can be prioritised. Mr Malatji and team.</p> <p>Completion:</p>	31-Mar-16	Finance	In Progress
	Revenue (Grants) - Non-compliance with DORA (EX.170)	The cause of the above is that management did not implement controls to ensure	Management disagrees with the finding as COGTA has never raised non-compliance matter with the municipality with regard to	Achieved	Finance	Achieved

		compliance with laws and regulation	MSIG, however all monthly reports for MSIG were submitted. AG didn't provide us with evidence indicating non compliance.			
	Revenue - Assessment rates not charged on all property (EX.39)	The cause of the above is that the accounting system have not been compared and updated with the property deeds and the valuation roll.	This audit finding was resolved.	Achieved	Finance	Achieved
	Revenue - Accounts not cleared before the transfer of property (EX.40)	The cause of the above is that the municipality do not create new accounts for new property owners Proper controls are not in place to ensure that old debt is settled before transfer of a property.The impact of the above are: Old debt is not settled before transfer of property which will result in financial losses for the municipality New property owners are charged with interest and accounts of previous owners.	This audit finding was resolved.	Achieved	Finance	Achieved

	Revenue - Completeness of the valuation roll (EX.41)	Management did not compare the valuation roll and the transfer of property deeds to ensure that the valuation roll is complete.	The identified properties will be sent to the municipal valuer to be included on the supplementary valuation roll.	28-Feb-16	Finance	In Progress
	Revenue - Interest incorrectly charged on outstanding debtors (EX.57)	The above mentioned resulted due to the amount of interest charged on the accounting system not being charged accurately.	Management disagrees with AG's findings on the recalculation of interest charged on outstanding accounts. AG based the recalculation on the compound interest, whereas the municipality charges the simple interest at prime rate in line with the banking institutions. The prime interest rate differed throughout the financial year. Investigations were conducted and an agreement with the AG. This matter is resolved.	Achieved	Finance	Achieved
	Revenue: Prior year - Service not charged to Erf (EX.74)	The above mentioned resulted due to management not reconciling the valuation roll of the municipality to the debtor accounts opened on the system (Pastel evolution).	The correction on the debtor account was billed from last month and necessary adjustments will be made	28-Feb-16	Finance	In Progress
	Revenue - Property register not updated annually (supplementary valuation roll) (EX.89)	The above mentioned resulted due to management not implementing recommendations made by	The approved valuation roll was implemented as from 01 July 2015. The next Supplementary valuation roll will be finalised by 28 February 2016	31-Mar-16	Finance	In Progress

		the auditors in the previous financial year.				
TAXES	AT: reconciliation not approved and Vat returns not submitted in time (EX.150)	<p>The cause of the above is due to a lack of management oversight, as management did not put controls in place:</p> <p>a) To ensure reconciliation are appropriately reviewed and approved</p> <p>b) To ensure that VAT returns are submitted in time.</p>	Ensure all reconciliations are reviewed and signed before submission	Monthly	Finance	All months of 2015/16 to December 2015 are signed
GENERAL AND IT CONTROL	ICT: Information Technology (IT) - Controls not in place (EX.59)	The lack of a dedicated IT security officer/system administrator to ensure the implementation of controls measures over financial IT systems.	IT Security Officer's duties will be delegated to the ICT Coordinator until the municipality is able to have a dedicated IT Security Officer		IT	Functions and responsibilities of an IT Security Officer are currently being developed
	Control environment: IT related information requested that has not been submitted as per request 6 of 2015 (EX.6)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	<p>Manager ICT to advice on an effective records keeping system</p> <p>Meeting to be conducted with department next week.</p>		IT	The Change management policy is being implemented, Backup register is being updated, a suitable location for the storage

						of the backup will be finalised
CONTR OL ENVIRO NMENT	Audit Committee: Audit committee deficiencies (EX.18)	The audit committee/performance audit committee did not prioritize the implementation of the compliance with laws and regulation.	(1) The independency of Internal Audit will be maintained as all Adhoc reviews will be approved by Audit Committee. Management will only issue out a request not an instruction to Internal Audit to perform adhoc reviews.	30 June 2016	Internal Audit	(1) No Adhoc requests were made by management.
			(2) Audit and Performance Committee will ensure that reports are tabled before council on a regular basis as to comply with section 166 of MFMA No. 56 of 2003.	30 June 2016		(2) Audit Committee Report will be tabled before Council as at 22 January 2016.
			(3) Council will be provided with the evaluation matrix tool to evaluate performance of Audit Committee.	30 March 2016		(3) Evaluation Matrix tool is readily available @ Internal Audit section. Appointment to workshop councilors thereon is still underway.
			(4) Audit and Performance Committee to meet at least Four (04) times a year to comply with section 166 of MFMA No.56 of 2003.	30 June 2016		(4) Audit Committee had three meetings for 2015/16 financial year: 26 August 2016; 29 September 2016; 30 November 2016.

	<p>Internal audit - Deficiencies found in the internal audit working papers (EX.12)</p>	<p>Lack of oversight responsibility on the work performed by the internal auditors.</p>	<p>(1)Internal Audit disagreed with the finding:</p> <p>Report on the implementation of annual risk based internal audit plan was tabled before audit committee on: 26 August 2016. More reports will be tabled to management and audit committee on the implementation of annual risk based internal audit plan.</p> <p>2.1 Disagreed with the finding:</p> <p>Internal Audit is guided by the Institute of Internal Auditing South Africa, IPPF standards and practice notes issued from time to time. It does not conduct its functions/audits in terms of the International Standards on Auditing (ISA's) like Auditor General does. Internal Audit is not guided by IRBA (Independent Regulatory Board for Auditors) like Auditor General does. Internal Audit is guided by the Institute of Internal Auditing South Africa, including its practice guides issued from time to time. The population, sample and direction of testing were clearly documented in the execution working paper that was submitted to Auditor General for audit.</p> <p>(2.2) Disagreed with the finding:</p>	<p>There is no specific completion date. Work of Internal Audit will be submitted to Auditor General in the next audit process to decide whether to make use of work of internal audit or not.</p>	<p>Internal Audit</p>	<p>(a) Annual Risk Based Internal Audit Plan 2015/16 financial year was developed and approved.</p> <p>(b) Report on the implementation of annual risk based internal audit plan for 1st quarter was presented before Audit Committee as at: 30 November 2015</p> <p>(c) Internal Audit Budget was compiled and communicated to audit team with assigned audit components</p> <p>(d) Internal Audit Charter and Methodology were developed and approved on: 30</p>
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			<p>The review was performed with an extended scope. All working papers were provided. Internal Audit does not make use of Audit Software to conduct the audits where every link would be easily hyperlinked. Procedures on revenue were attached and sent to Auditor General.</p> <p>The number of transactions selected for audit is included in the compliance testing. Revenue is also tested in there, NERSA tariff issue is also mentioned in compliance testing. Refer to the working paper on compliance testing. Auditor General should re-asses the w/p on compliance. Assertion is clearly indicated in the w/p.</p> <p>Internal Audit has selected 30 transactions for revenue and tested the compliance and accuracy thereof. The execution w/p on compliance testing on NERSA tariffs was given to Auditor General.</p> <p>(2.3) Disagreed with the finding:</p> <p>Auditor General should differentiate between Internal Audit and External Audit. Internal Audit is testing the adequacy and effectiveness of internal controls. The risk on expenditure was more on non performance of the</p>		<p>November 2015.</p> <p>(e) Audit of Predetermined Objectives for first quarter of 2015/16 was performed and is currently at reporting stage.</p> <p>The following audits are still in progress for the 2nd quarter:</p> <ul style="list-style-type: none"> (i) Predetermined Objectives (Sampling) (ii) Supply Chain Management (100% testing) (iii) Revenue (Sampling) <p>Communication will be held with Auditor General as to the extent of testing by Internal Audit so that it can make use of work of Internal Audit. Necessary</p>
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		<p>reconciliations. At the time of performance by internal audit against audit criteria, reconciliations were not done. Therefore, if the control is not working auditors should stop testing. However, internal audit has gone beyond the principle that if control is not working auditors should stop testing. We have continued with the testing even though the controls over expenditure management were not effective and working. Internal Audit would have indicated the population of reconciliation and test if the control is adequate, working and effective to detect risks. Auditor General should take note that Internal Audit focus on expenditure not on the figures, it is mainly on controls such as reconciliations as to ensure that the figures that external auditors will audit are accurate and processes are complied with. Auditor General did not copy the correct working papers, Therefore it is requested that the correct w/p with procedures be copied and be thoroughly assessed.</p> <p>(2.4) Disagreed with the finding:</p> <p>All the working papers were submitted to Auditor General for audit. The procedures, report and management comments were all submitted to Auditor General.</p>		<p>arrangements are still under way.</p>
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Internal Audit is surprised why Auditor General is saying there are no procedures and management comments.

(2.5) Disagreed with the finding:

This matter has already been clarified. A report on inventory was generated based on the observation that was undertaken by Internal Audit. Inventory does not form part of the internal audit plan per se. Inventory checklist was also submitted to Auditor General together with the report. Auditor General should clarify if the inventory checklist is not sufficient to test whether there are controls in place or not. To the knowledge and professional judgment made by Internal Audit, observation and inventory checklist was sufficient to come to the conclusion. Internal Audit would to a certain extent not test inventory the same way that the Auditor General is testing. Auditor General is doing a substantive test of detail. Internal Audit is assessing the controls over inventory and that was done through observation and using a checklist. Auditor General should take into account that one of the risk assessment procedures is "OBSERVATION" therefore there is nothing wrong if internal audit believes that observation and a

			<p>checklist is sufficient to come to the conclusion.</p> <p>(2.6) Disagreed with the finding:</p> <p>Procedures are submitted to Auditor General with supporting documents for audit. However, internal audit would partly agree with the fact that there was no follow up made and the comments on the report.</p>			
	Internal Control: Policies not in place (EX.134)	Management does not see the urgency to prioritise policies and procedures to ensure proper governance	Not for Internal Audit. Please look @ Final Management Report as I only have Audit Report.		Internal Audit	
	Internal audit - No documented approval of adhoc audits (EX.17)	<p>A lack of oversight by the audit committee</p> <p>Non-adherence to the internal audit charter</p>	<p>(1) Disagreed with the finding:</p> <p>The matter was communicated to the Chairperson of the Audit Committee on: 08 April 2015 @ 09:20 AM via the e-mail. The chairperson received and read the request for approval on 08 April 2015 @ 10:03 AM. Internal Audit has submitted the proof of those e-mails to auditor general on: 03 September 2015 for audit. The previous Accounting Officer has indicated that AJ Mining informed him that they want to purchase equipment with that money</p>	There is no specific completion date. Scope of internal Audit differs from one of external audit.	Internal Audit	No adhoc requests were made to date

therefore; the matter is urgently needed to be resolved. Auditor General should take into account that any delay on the construction of the water pipe line that is constructed by AJ Mining could have caused the life of the citizens through holding back the service delivery. Through enquiries it was confirmed that the funds were reimbursed to AJ Mining in terms of section 11(1)(f) of Municipal Finance Management Act No.56 of 2003 which states:

“Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality’s bank accounts, and may do so only to refund money incorrectly paid into a bank account”

Based on above, internal audit had no option but to assess the transaction so that risk does not go undetected. The matter was beyond approval of the review as the substance of the transaction was significant and the supplier needed cash flow to complete the water pipe line so that the community can get clean water as required by the constitution of the Republic of South Africa Act

No.106 of 1996.

(2) Disagreed with the finding:

The review was an extension of exception 02 that was raised by Auditor General. Internal Audit had to provide assurance to the Accounting Officer. The review is classified as adhoc because the matter was already raised by AGSA and internal had to provide further assurance on the subject matter. SAB&T has also conducted its own review as well. Section 165 (2)(iii) states that internal audit must advise the accounting officer on accounting procedures and practices. Therefore, due to the substance of the transaction, the MFMA Act takes precedence over the internal audit plan.

(3) Disagree with the finding:

The review was classified as part of the adhoc reviews due to the following:

Internal Audit did not sample and physically tested the inventory transactions that could be out of the scope of the approved audit plan. Internal Audit has only observed the yearend inventory count. It was an initiative to observe how the municipality performs its own yearend

			inventory count. A report was drawn based on the observation and procedure checklist made by internal audit so that deficiencies can be communicated to appropriate level of management.			
	Internal audit: Adhoc projects of internal audit not pre-approved by the audit committee (EX.25)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit	Resolved.	Resolved.	Internal Audit	Resolved.
	Internal Control : Lack of a centralised filing system for administrative matters (EX.45)	The management of the Municipality did not timeously address the challenge on the lack of a filing system.	Not for Internal Audit. Please look @ Final Management Report as I only have Audit Report.		Internal Audit	
PREDETERMINED OBJECTIVES	AOPO: Planned performance target not reported (EX.127)	The municipality did not have performance management system and standard operating procedures that could have assisted municipality in preparing APR during the year.	Draft Procedure Manual for managing Performance Management System is in place and will be adopted by Council before the end of the financial year	Jun-16	PMS	This is currently in progress as Directors are reporting on the planned targets as per the SDBIP 2015/2016 f/y each quarter

	<p>AOPO: Deficiencies identified in the annual report (EX.23)</p>	<p>The cause of the above is due to lack of management oversight to ensure that draft annual report submitted for audit purposes is accurate and correct</p>	<p>Draft audited annual report has been submitted to AG for audit purposes during 2014/2015 audit, comments of the AG were received and addressed . The Annual Report has been audited by the AG and was tabled before Council on the 22 January 2016.</p>	<p>Apr-16</p>	<p>PMS</p>	<p>Draft Audited Annual Report 2014/2015 financial year will be tabled before Council on the 22nd January 2016. On the 18th January the Draft Audited Annual report was submitted to AG for perusal before Council adopt it. Comments were received and addressed and the Final document will be submitted to Council for approval during March 2016</p>
	<p>AOPO: Annual Report and quarterly performance reports not received for request 2 of 2015 (EX.3)</p>	<p>Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.</p>	<p>Annual Report 2014/2015 has been developed and submitted to the AG for audit purposes during August and Novemebr 2015. It was also submitted again to the AG during January 2016 for perusal and quality check. Quarterely performance reports</p>	<p>Jun-16</p>	<p>PMS</p>	<p>Annual Report has been submitted to AG during November 2015 for audit. It was submitted again to the AG during January 2016 for perusal</p>

			are compiled for 2015/2016 financial year			ensuring compliance with reported information. This shall be submitted again to the AG after tabling to Council by January 2016 and submitted for final by March 2016. Quarterly reports are developed and submitted to Council for approval
	AOPO: PMS not in place (Ex.30)(CoA no.30) (EX.30)	A lack of oversight and monitoring on development, implementation and the monitoring of the performance information system.	The municipality have an approved PMS Framework and Policy adopted by Council during July 2015. PMS Policy is currently reviewed.	Jun-16	PMS	There is a Council approved PMS Framework and policy that is being implemented and the review of the PMS Policy is under progress
	AOPO: Performance targets not measurable (EX.33)	The municipality did not have a proper performance management system in place.	Targets in the SDBIP were set using the SMART Principle as per the National Treasury Framework	Feb-16	PMS	This is in progress as the municipality is

			for Managing Performance Information and has been reviewed during January 2016 as part of Mid term assessment			improving in terms of applying its SMART principle. Targets were also reviewed during January 2016 in order to comply with the SMART principle
	AOPO: Deficiencies identified on SDBIP, IDP and Budget (EX.38)	The cause of the above is due to lack of oversight by management to ensure that SDBIP, IDP and budget are properly reviewed in order to ensure that they are aligned.	Alignment of the IDP, SDBIP and Budget has been done during 2015/2016 financial year.	Mar-16	PMS	During the development of the SDBIP, alignment was made with the IDP and Budget, this is also in progress as alignment must also be done continuously with the budget
	OPO: Predetermined objective documentation requested was not submitted (EX.53)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	Predetermined objectives are part of the IDP and are aligned with the SDBIP	Feb-16	PMS	Predetermined objectives in the SDBIP are aligned with the IDP 2015/2016 financial year

	AOPO: Differences between IDP priorities/objectives with SDBIP and APR (EX.83)	Lack of review by management to ensure that the APR are aligned to the IDP and SDBIP	IDP priorities/objectives are aligned with the SDBIP 2015/2016 f/y and will be aligned with the Annual Performance Report for 2015/2016 f/y	Jun-16	PMS	IDP priorities/objectives are aligned with the SDBIP 2015/2016 and at the end of the financial year they will be aligned with the Annual Performance Report
	AOPO: No consistency between planned indicators and reported performance indicators (EX.92)	Management did not have proper performance management system in place that could have assisted them in reporting on agreed strategic objectives and planned performance indicators.	Planned indicators have been set in the SDBIP 2015/2016 and reported indicators are as per the set indicators in the SDBIP	Jun-16	PMS	There is consistency on the reported indicators and the planned indicators
	AOPO: Planned and reported performance target not done as per SMART criteria (EX.96)	The performance management system was not structured and formal during the financial year.	Planned targets have been set using the SMART criteria as per National Framework for managing Performance information and reported performance target is aligned to the planned target.	Jun-16	PMS	This is currently in progress as planned and reported targets are done using SMART criteria
	AOPO: Performance indicators are not measurable or well defined (EX.98)	Management did not have a proper performance management system in place that could assist them in	Performance indicators are developed using the SMART criteria as per the National Treasury Framework for	Feb-16	PMS	This is currently in progress as the municipality is improving in

		preparing measurable performance indicators	Managing Performance Information. Performance indicators are measurable and well defined			terms of applying SMART criteria to its indicators. Performance indicators are measurable
	AOPO: Indicator not mandate of the municipality (EX.118)	The review of the SDBIP did not detect these matters.	All indicators are mandate of the municipality	Oct-15	PMS	Indicators that are not mandate of the municipality are not part of the SDBIP 2015/2016 f/y
	AOPO: Risk assessment report and the approval and submission of the SDBIP not submitted (EX.26)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.	Reviewed SDBIP 2015/2016 has been submitted to Mayor for approval and then submitted to Provincial Treasury and Cogta	Nov-15	PMS	Reviewed SDBIP was submitted to Provincial Treasury and Cogta during October 2015
	AOPO: No approved operating procedures for measuring performance (EX.27)	A result of a lack of oversight from management to implement and develop procedures and policies on the reporting and monitoring of predetermined objectives	Draft Procedure Manual for PMS is in place and will be adopted by Council before the end of the financial year	Jun-16	PMS	Standard operating procedures for managing performance is currently not developed

	AOPO: Deficiencies identified in the mid-year performance assessment (EX.28)	Management did not review the mid-year performance assessment after it was compiled by the consultant to ensure it is accurate and correct before submission.	Mid-Year Performance assessment is developed in-house and is complying with the section 72 of the MFMA act	Jan-16	PMS	Deficiencies identified in the mid-year assessment report have been corrected in the 2015/2016 mid year report
	AOPO: No monthly projections on SDBIP (EX.29)	Management did not monitor the work of the consultants to ensure that the requirements in terms of the laws and regulations are adhered to	Monthly projections of revenue and expenditure by source are part of the SDBIP 2015/2016	Nov-15	PMS	Monthly projections are part of the SDBIP 2015/2016 f/y
	AOPO: Adjustment Budget not submitted within prescribed period (EX.46)	There were no monitoring controls to ensure that the relevant laws and regulations are complied with	Adjustment budget will be submitted within 10 working after adoption.	5-Feb-16	PMS	The adjustment budget is awaiting adoption by the council which will take place on 22 January 2016.
	AOPO: SDBIP submitted to Treasury not within prescribed times (EX.47)	Due to lack of oversight by management to ensure that appropriate documents are submitted in time to the relevant Treasury.	Reviewed SDBIP was submitted as per the prescribed time period	Feb-16	PMS	Reviewed SDBIP will be submitted at the prescribed time period

	AOPO: Road, water and sanitation infrastructure: Priority list is not approved (EX.70)	Management did not prioritised the matters relating to road, water and sanitation infrastructure. The position for director technical was also not filled and the person was only acting in that position during the financial year.	Maintenance plans for different categories of assets are currently being developed.	31-Mar-16	Infrastructure and Technical services	In Progress
EMPLOYEE RELATED COSTS	Employee costs - Annual leave accumulation not in line with main collective agreement (EX.100)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with	Check on a monthly basis from July 2015 wether payday system have allocated annual leave days correctly to each employee	30-Apr-16	Human Resources	In Progress
	Employee costs: Journals in employee costs not complete and correct (EX.110)	Lack of proper and effective review by management to ensure that the recording of employee cost expenditure are recorded correctly and can be substantiated with supporting evidence is not in place	All journals to be authorised and reviewed to ensure the correct amounts are being entered into the system.	Monthly	Finance	Partially complete
	Employee cost: Lack of internal control on attendance registers (EX.119)	Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit	All completed attendance registers of the entire institution must be submitted on a monthly basis before the 7 th of each month to the Manager Corporate Services: HR Manager Corporate Services: HR to ensure that attendance registers has been checked with leave records by	Apr-16	Human Resources	In Progress

			submitting it to HR Officer (Leave Administration) to check all attendance registers against leave records. Any differences depicted must be reported to the HR Manager for investigation by the HR Officer (Leave Administration) HR Admin Officer to deal with all attendance registers from July 2015 till March 2016 by end April 2016.			
	Employee costs - Payday system information do not agree with employee files and (EX.120)	Management did not develop and monitor sufficient controls to ensure system data is complete, accurate and kept up to date	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance Human Resources	None
	Employee costs - Supporting documentation for entertainment allowances not submitted (EX.121)	The officials of the municipality could not supply the auditors with the supporting documentation of the sundry allowances due to a lack of knowledge.	Management to supply and maintain support documentation for Entertain Allowance and correct the line item on Pastel.	29-Feb-16	Finance	Complete
	Employee costs – Non-compliance of travelling allowance policy (EX.122)	Management did not implement controls to ensure compliance with the applicable travel allowance policies	Management to review and amend amend the policies to ensure that all different elements are covered in the policy.	31-May-16	Finance Human Resources	Partially completed.

	Employee costs - Discrepancies identified regarding acting allowances (EX.123)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Management to ensure that all employees acting are authorised to do so and in accordance with the SALGBC Conditions of service's regulations.	Ongoing	Finance Human Resources	Completed.
	Employee cost: Leave not processed on system (EX.124)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Matters referred to in the finding must be investigated and corrected. HR Manager to manage, coordinate and supervise this process	Jan-16	Human Resources	In Progress
	Employee cost: No leave forms obtained not on the employee files (EX.125)	Result in employees taking unauthorised leave and having leave days overstated in the provision for leave.	The matters referred to in the finding must be investigated and corrected: HR Manager to manage, coordinate and supervise the process.	Jan-16	Human Resources	In Progress
	Employee cost: Non-compliance on paid time off (EX.130)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	Overtime policy must be drafted and approved. Once approved it must be workshopped with employees, supervisors and managers	Jan-16	Human Resources	In Progress
	Employee costs: Salary scales (EX.131)	Lack of proper and effective monitoring by management to ensure that the salary scales adopted are implemented. The above may result in all	Management to investigate the salary scales of all the employees (especially the identified on the exception), to ensure that all salaries agree to the salary scales which were approved by council.	31-May-16	Finance Human Resources	None

		related employee costs being over/under stated due to incorrect salary scales being used.				
	Employee costs: Authorisation of deducting from employee salaries (EX.132)	Lack of internal controls for proper record keeping ensuring that applicable employee's supporting documentation is filed.	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance	None
	Employee costs - Annual leave taken not recorded (EX.133)	<p>Late approval of leave and unauthorised leave taken by employees cause leave days to go into a credit.</p> <p>Failure by management to maintain an effective record keeping system to ensure that complete, relevant and accurate information is accessible and available for audit.</p> <p>Management failed to ensure that an leave policy is developed and implemented.</p> <p>Leave forms are not handed over to the responsible persons timeously.</p>	The matters reported in the finding must be investigated and corrective measures taken: HR Manager to manage, coordinate and supervise this process.	Jan-16	Human Resources	In Progress

	Employee costs - Internal control of changes to master file (EX.143)	Lack of delegation to review of supporting schedules and reports by senior officials and the lack of mid-management in the finance section	Management and PayDay to develop and implement controls regarding internal control deficiencies identified and ensure that the changes to the master file be reviewed by a senior official on a monthly basis and that those reports be properly kept.	31-Mar-16	Finance	Partially complete
	Employee costs - Acting positions of senior managers (EX.144)	There are no monitoring controls in place to ensure that the necessary requirements are adhered to.	Management to ensure that all employees acting are authorised to do so and in accordance with the SALGBC Conditions of service's regulations.	Ongoing	Finance Human Resources	
	Employee cost: Remuneration for councillors that exceed the upper limit (EX.149)	Management failing to implement and carry out controls to ensure the compliance of the relevant laws and legislation.	Management to implement controls to ensure that upper limits are reviewed and approved accordingly, to ensure that upper limits do not exceeded and that councillors receive annual remuneration in accordance with the applicable Government Gazette. Conduct investigations on overpayments and recover any, where applicable.	3/31/2016	Finance	Partially completed
	Employee cost - High vacancy rate and vacant critical posts (EX.15)	Budgetary constraints Positions included in the organisational structure which are not needed	The current organogram must be revised and approve by Council. After approval all critical positions need to be identified and reported to management	31-Mar-16	Human Resource	

	Employee costs - Upper limits of Municipal manager and managers directly accountable to the Municipal manager (EX.153)	Lack of proper and effective monitoring by management and council to ensure that laws and regulations are complied with.	Review the salaries of the Municipal Manager and the managers directly accountable to the Municipal Manager, to ensure that they are limited to the total annual packages as set in the relevant government gazettes or legislation.	31-Mar-16	Finance Human Resources	None
	Employee costs – Non-compliance relating to job description and screening (EX.174)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	<p>The process of developing and signing of job descriptions need to be finalised as speedily as possible.</p> <p>The process and procedure of screening candidates before employment is confirmed need to be developed, documented and approved. Evidence of compliance with such approved procedure needs to be available for audit purposes</p>	15-Feb-16	Human Resource:	In Progress
	Employee costs - Accumulated leave in excess of 48 days (EX.60)	<p>Insufficient funds of the municipality to be able to pay excess leave.</p> <p>It is also caused by operational requirements by the above mentioned staff members that prevents leave to be taken</p>	<p>This finding needs to be investigated and corrective measures to deal with the situation needs to be developed.</p> <p>A system where employees receive written notices at least 3 months in advance of when the period to take their respective leaves expire needs to be developed. We might engage with</p>	31-Mar-16	Human Resource:	In Progress

			<p>Payday to see if such function cannot be added to the Payday leave system.</p> <p>HR Manager to manage, coordinate and supervise this process</p> <p>Tuesday 08</p>			
	Employee Costs - Data reflected on the system does not agree to the personnel files (EX.62)	Management did not develop and monitor sufficient controls to ensure system data is complete, accurate and kept up to date.	Data transfer process to start from February 2016 where salary related information of the workforce will be copied to employee personnel files.	31-May-16	Finance Human Resources	None
	Employee costs - Late submission of EMP201's (EX.78)	Management has failed to implement internal control policies as recommended	Ensure that EMP201 are submitted and paid before the 7th of each month. In cases where this is not possible, signed arrangement must be made and documented.	Monthly	Finance	Partially
	Employee costs: Non-compliance of overtime limits (EX.85)	Lack of proper and effective monitoring by management to ensure that laws and regulations are complied with.	An overtime policy to control overtime need to be developed. After developing a draft it need to be workshopped with all stakeholders before it is submitted to Management for approval.	31-Jan-16	Human Resource	In Progress
	Employee costs - Minimum requirement of annual leave not taken (EX.99)	Operational requirements by the Municipality.	A detailed list must be developed of all employees who did not take their leave in accordance with the	29-Feb-16	Human Resource	In Progress

			<p>stipulations contained in chapter 3 of the main collective agreement during the previous leave cycle. HR must then develop a plan and put measures in place to ensure compliance of the stipulations contained in chapter 3.</p> <p>Furthermore a proper administrative system must be developed to inform employees three month in advance of when the last date is on which they are compelled to take leave.</p>			
IMMOV ABLE ASSET S	PPE: Work in progress (WIP) projects not show any or small movement for the year under review (EX.151)	Management did not consider whether work in progress item must be impaired..	These projects can only be completed once funding is available.	Ongoing	Finance	These projects can only be completed once funding is available.
	PPE: Prior year misstatements - Sizes of water pipes as per asset register differs with sizes as per technicians (EX.50)		This audit finding has been resolved.	Completed	Finance	This audit finding has been resolved.
	PPE: Pipe sizes as per the asset register not the same as per technician knowledge of the network (EX.164)	The technicians (municipal officials) were not involved in the assets verification conducted by consultants responsible for compiling and updating the assets register.	This audit finding has been resolved.	Completed	Finance	This audit finding has been resolved.
	PPE: Infrastructure list for road signs and solid waste with no identification (EX.65)	These types of assets consist of numerous items that are scattered over the municipality.	Fixed assets register is currently being updated to include as much details as possible .	31-Mar-16	Finance	Fixed assets register is currently being updated to

		The assets are in areas where there is a lot of human activity around, therefore the barcodes or unique asset numbers can be easily removed by the public			include as much details as possible .
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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's

	strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME / PART TIME	COMMITTEES ALLOCATED	WARD AND PARTY REPRESENTED	PERCENTAGE COUNCIL MEETINGS ATTENDANCE	PERCENTAGE APOLOGIES FOR NON-ATTENDANCE
	FT/PT			%	%
K.S Koalane	FT	1	All wards ANC	100%	N/A
S.J Mabitla	FT	1	All wards ANC	100%	N/A
Z.P Thuthani	PT	1	1 ANC	100%	N/A
S.L Kgoe	PT	2	8 ANC	100%	N/A
N.S Mafa	PT	1	2 ANC	100%	N/A
M. Venter	PT	2	1 DA	98%	2%
M.M Kholumo	PT	3	7 ANC	100%	N/A
V.M Lekale	PT	1	3 ANC	100%	N/A
K.P Dichakane	PT	2	10 ANC	100%	N/A
L.M Moloele	PT	3	2 ANC	100%	N/A
X.Nqwiliso	PT	2	6 ANC	100%	N/A
T.P Ramongalo	PT	2	8 ANC	100%	N/A

K.A Sekharume	PT	3	4 ANC	100%	N/A
T.J Chele	PT	2	9 ANC	99%	1%
S.C Mamgoejane	PT	2	7 ANC	100%	N/A
D.E Modise	PT	4	10 ANC	100%	N/A
J.A Pienaar	PT	2	VF	100%	N/A
P.T Botha	PT	2	6 DA	100%	N/A
M.B Tsoaela	PT	3	5 ANC	100%	N/A
J.I Mokhele	PT	1	8 COPE	100%	N/A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES AND THEIR PURPOSE	
MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Finance Committee	Deals with municipal financial management.
Audit Committee	It is independent advisory body to council, municipal manager and management staff on financial controls, risk management, accounting policies, performance management.
Housing & erven	Deals with housing & erven matters within the municipality.
Local Labour Forum [LLF]	Platform were organized labour and the employer negotiates and bargains on issues affecting labour at local level.
Education	Deals with local educational matters.
Sports	Deals with issues affecting all sporting codes.
Agriculture & Rural Development	Deals with all matters pertaining to agriculture and rural
Economic Development	Deals with local economic development issues.
Social Development	Deals with social & welfare issues affecting the community.
HR and Corporate Services	Human resources, Auxiliary and legal service, Council support.

Finance Management	Revenue, Expenditure, SCM, Asset, Liability Management, Budget.
Social and Community Services	Waste Management, Sport Recreation Arts and Culture, Public Safety and Reporting
Infrastructure and LED	Water, Sanitation, Electricity, Roads, Storm Water and Pmu Urban Planning
Debt and Revenue	Revenue collections
Rules	By laws
MPAC	To play an oversight role over AG reports as well as Annual Report.

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Director/Manager (State title and name)
Municipal Managers Office	Mr. M.D. Nthau Municipal Manager
Finance	Ms. F.V. Mzizi Chief Financial Officer
Social and Community Services	Ms. E. Makgahlela Director Social and Community Services
Infrastructure and Technical Services	Mr. F. Malatji Acting Director Infrastructure and Technical Services
Corporate Services	Director - Vacant
Planning and Economic Development	Director - Vacant

APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	FUNCTION APPLICABLE TO MUNICIPALITY (YES/NO)
CONSTITUTION SCHEDULE 4, PART B FUNCTIONS	
Air pollution	Yes
Building regulations	Yes

Child care facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes

Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes

Street lighting	Yes
Traffic and parking	Yes

APPENDIX E – WARD REPORTING

FUNCTIONALITY OF WARD COMMITTEES					
WARD NAME & NUMBER	NAME OF WARD COUNCILLOR AND ELECTED WARD COMMITTEE MEMBERS	COMMITTEE ESTABLISHED (YES / NO)	NUMBER OF MONTHLY COMMITTEE MEETINGS HELD DURING THE YEAR	NUMBER OF MONTHLY REPORTS SUBMITTED TO SPEAKERS OFFICE ON TIME	NUMBER OF QUARTERLY PUBLIC WARD MEETINGS HELD DURING YEAR
Ward 1	<p>Councillor</p> <p>P. Thuthani</p> <p>Ward Committee Members</p> <p>M. Thoahlaka</p> <p>M.A Motaung</p> <p>R.T Lebeko</p> <p>T. Moahi</p> <p>M. Lipholo</p> <p>P.K.N Ndebela</p> <p>P. Mkhumbeni</p> <p>M.L Nogwanya</p> <p>N.P Nkopane</p>	Yes	6		6
Ward 2	<p>Councillor</p> <p>M.L Moloeele</p> <p>Ward Committee Members</p> <p>S.M Phara</p> <p>M. Klaas</p> <p>M. Molapo</p> <p>M. Boleme</p>	Yes	6		6

	J.M Molete R.L Ramothamo S.C Mokoaledi P. Mphirime J.T Daniels				
Ward 3	Councilor V. Lekale Ward Committee Members M.W Moroane J. Jantjie A. Kriel J.S Swart M.M Mphambo Z.W Siko M.E Makoaba B.E Tshandu M.L Sehole M.M Padi	Yes	6		6
Ward 4	Councilor K. Sekharume Ward Committee Members R.J Mathobisa M.J Nthene M.R Dipitso L.M Kholumo E.M Sondag M.J Lekitlane T.G Sekele T.O Mohapi A.E Thesner	Yes	6		6

	E. Du Toit				
Ward 5	Councilor M. Tsoaela Ward Committee Members N.V Ledimo S. Ramatsa M.R Lekale/Mokhethi M.E Pitso F. Lesebo E. Molete S. Bore K. Motinyane M. Khelimithi M. Pule	Yes	6		6
Ward 6	Councilor X. Nqwiliso Ward Committee Members M. Visser A.J.P Mapela V.R Matsunyane W. Potgieter Z. Ntamo A.P Hlatsi E. Maikhosho E. Makhendlana T. Bozini	Yes	6		6
Ward 7	Councilor C. Mangoejane Ward Committee Members	Yes	6		6

	B. Phera G.M Kholong S.G Manesa K.A Moticoe Z.M Mokobori D. Khesa K.G Moshodi M. Makau P.M Phalatse S.S Manesa				
Ward 8	Councilor T. Ramongalo Ward Committee Members R. Sani C. Xaba M.K Kote M. Mphaphathi J. Mokokoane S.I Rapudungwane T. Rabanye S.M Kalane M.P Dithebe	Yes	6		6
Ward 9	Councilor J. Chele Ward Committee Members M.M Tshabalala M.E Machakela J.F Sibisi S.P Lebona R.A Molete	Yes	6		6

	M.S Tutubala N.A Rakoti T. Sitsholwana				
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

APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME & NUMBER				
CAPITAL PROJECTS: SEVEN LARGEST IN YEAR 2015/16				
NO.	PROJECT NAME AND DETAIL	START DATE	END DATE	R' 000 TOTAL VALUE
1	AJ Mining : Refurbishment of the Concrete Tower in Masilo	March 2016	15 September 2016	R 4 743 066,52
2	Nhlengani : Construction of Sports Centre in Winburg	16 November 2012	31 October 2016	R7 646 342.57
3	Marabe Projects: Construction Of 3.5km stormwater channel in Masilo	16 May 2016	31 October 2016	R4 629 536.32
4	BMK Consulting: Construction Of 3.5km stormwater channel in Masilo	27 January 2016	31 October 2016	R536 750.00
5	Chanan Consulting : Construction of 1km paved road in Masilo	16 May 2016	30 April 2017	R441 864.00
6	Mafuri Projects : Construction of Sports Complex in Brandfort	28 October 2013	30 November 2016	R18 540 984.89
7	Ruwacon : Construction of bulk pipeline in Brandfort	4 November 2013	31 October 2016	R82 785 384.18

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APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Audit and Performance Committee Report 2015/16 Financial Year

We are pleased to present our report for the financial year ended 30 June 2016.

Background Information

The Audit and Performance Committee of Masilonyana Local Municipality is established in terms of section 166 of MFMA 56 of 2003. The committee consists of four members, three of the four members serve as audit committee and three of them serve as performance committee. The previous council of municipality has approved the appointment of Me. Thembela Mqeta as the chairperson of Performance Committee on 30 June 2016.

Members

To address issues relating to the municipality, the audit committee consists of the following members:

(i) Audit Committee

No.	Members	Position	Date of Appointment
1	Mr. Donovan Nadison	Chairperson	30 April 2015
2	Ms. T Mnqeta	Member	30 April 2015
3	Mr. V Litabe	Member	30 April (Period extended with three years)

(ii) Performance Audit Committee

No	Members	Position	Date of Appointment
1	Ms Tembela Mnqeta	Chairperson	30 April 2015
2	Mr. Donovan Nadison	Member	30 April 2015
3	Ms. Palesa Kaota	Member	30 April 2015 (Period extended with three years)
4	Mr. V Litabe	Member	30 April (Period extended with three years)

Due to cost containment measures, all members of the audit committee have agreed to serve as members of the performance audit committee. The meetings are held jointly with the discussions affecting activities of audit and performance committee.

Attendance of meeting for 2015/16 financial year:

Number of Meetings attended 2014/15	Date of Meeting
1 st Meeting	26 August 2015
2 nd Meeting	29 September 2015
3 th Meeting	30 November 2015
4 th Meeting	24 May 2016

All members of the Audit and Performance Committee are declared independent, with no interest in the management or conduct of the business of the Municipality.

The annual financial statements for the period ended 30 June 2016 were reviewed by Internal Audit of municipality; they have also been submitted to the Audit and Performance Committee of Lejweleputswa District Municipality on 26 August 2016 for further review.

Audit committee responsibility

The audit and performance committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA in terms of its defined responsibilities as an advisory body to the municipal council. The audit and performance committee also reports that it has adopted appropriate formal terms of reference as its committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA, Internal Audit provides the Audit and Performance Committee and management with assurance that the internal controls are appropriate and effective and performance management system is operating as intended. This is achieved by means of the risk management processes, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Audit, Auditor- General and Management it was noted that there were instances of weaknesses in controls. However the Audit and Performance Committee is pleased to report that there has been significant improvement in the general controls and management has put mechanisms and action plans in place to deal with identified weaknesses. Management has further undertaken to report to the Audit and Performance

Committee on a regular basis on progress made in this regard. The Audit and Performance Committee therefore urges management to address these problems without any further delay.

The committee received good support from the Internal Audit function as part of its mandate and managed to sit at least four times a year as required in terms of section 166 of Municipal Finance Management Act No. 56 of 2003. The committee also held meetings separately with Internal Audit to establish if there were matters of concern that could not be discussed in an open session with management.

Whilst the Risk Management Strategy and Framework is in place, it was however adopted by the council for the financial year under review. The report on risk, governance and leadership was issued by internal audit as to the effectiveness of risk management. Specific few control weaknesses were identified and reported as such. We received positive comments applauding improvements noted by AGSA and progress made in addressing previous audit findings and matters contained in the Management Report through implementation of audit action plan.

Performance Management

The Audit Committee has agreed to serve as a Performance Audit Committee in terms of Municipal Planning and Performance Management Regulations 2001.

The committee takes note of the progress made regarding Performance Management System. Internal Audit has performed audits on performance information and few specific weaknesses were noted and management has undertaken significant steps to put in place corrective measures to ensure that internal audit findings are addressed. The committee has also noted that four quarterly reports were submitted to internal audit for review. PMS policy was developed and approved by the council. The PMS workshops and internal PMS session were held to ensure that PMS is also cascaded to the lower level of staff members and matters affecting performance management are communicated with all officials.

Risk Management and Internal Audit

The Audit Committee is also satisfied with the risk management and internal audit function of the municipality. The internal Audit Plan, Charter and methodology were approved by the committee in ensuring that the work of internal audit is properly planned and communicated to the relevant stakeholders accordingly. Internal Audit has also conducted an audit on risk management and provided assurance as to the effectiveness and maturity level thereon.

Mr D. Nadison (Chairperson-Audit Committee)

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
NAME OF SERVICE PROVIDER	DESCRIPTION OF SERVICES RENDERED BY THE SERVICE PROVIDER	START DATE OF CONTRACT	EXPIRY DATE OF CONTRACT	PROJECT MANAGER	CONTRACT VALUE
The municipality does not have long contracts					

APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

SERVICE PROVIDER	PROJECT NAME	BUDGET VALUE	CONTRACT DURATION	PROJECT STATUS	END USER REMARKS ON OVERALL PERFORMANCE BY THE PROVIDER
WWW Civil & construction	Repairs & Maintenance of roads & storm water	As in when required	Three (3) years	Ongoing	Technical Construction of Verkeerdevlei New Settlement Gravel Roads. Grading of Masilo gravel roads. Grading of Majwemasweu gravel roads. We are 79% satisfied with their services/performance
Makola holdings (Pty) Ltd	Rental & maintenance of machine	R 2,192,400.00	Three (3) years	Ongoing	Satisfied with overall work
Brevimode (Pty) Ltd	Refurbishment & commissioning of Winburg Water treatment Plant	595,866.98	Once off	Service rendered	Technical Emergency appointment to complete the refurbishment of the WWTW. The project is 100% complete. We are 56% satisfied with their services/performance
MJM	Supply and delivery of Yellow Fleet	8,823,908.90	Once off	Service rendered	60% satisfied with work overall; however they take long to fix broken trucks and rental of trucks takes long to be delivered
		1,409,926.50	Once off	Ongoing	

Letz be pabz/ TPS JV	Renovations of offices in Winburg					Satisfied with work overall but very slow.
Matsapa trading	Renovations of Offices in Verkeerdevlei	3,390,069.86	Once off	Ongoing		Satisfy with work overall but also very slow.
MG Tubes & tyre	Supply and repairs of tyres	As in when required	Three (3) years	Ongoing		Satisfied with overall work
Lesegotumelo	Supply and repairs of tyres	As in when required	Three (3) years	Ongoing		Satisfied with overall work
Masilonyana News	S& D of Newspaper	2 443 094.60	Three (3) years	Ongoing		Satisfied with overall work
BMK Consulting	3, 5 KM storm water channel (Consultant)	536 750.00	Once off	Ongoing		Technical Needs to improve on Project Monitoring. We are 50% satisfied with their services/performance
Tsotetsi&Mchuni Inc	Debt collection and litigation services	12% Commision	Three (3) years	Ongoing		The appointment has grown the revenue from average of 35% to 60% during the first month and now is steadily on 40% plus. They also assist with the purification of accounts which will assist in data cleansing. Therefore I am still content with their performance.
Palmar Trading	Wireless connection	2 623 925.70	Three (3) years	Ongoing		The appointment of the service provider has improved the performance of the network. The municipality was able to connect and use blade server
Bageso Housing Development Consultants	Township Establishment: Theunissen/ Masilo	3,955,000.00	Once off	Ongoing		Satisfy with work done.
Bageso Housing Development Consultants	Township Establishment: Brandfort	1,075,000.00	Once off	Ongoing		Satisfied with performance
AJ Mining	Refurbishment of concrete reservoir tower: Theunissen/ Masilo	4,743,066.52	Once Off	Ongoing		The project is 85% to completion. Needs to improve on the accuracy of the requested information/machinery/equipment . We are 60% satisfied with their services/performance
Chanan Industries (Pty) Ltd	1 Km block pave in Masilo: Phase II	441,864.00	Once off	Ongoing		The project is on Tender and Design phase. We are 83% satisfied with their services/performance
Marabe Projects	3,5 Km storm water channel (Contractor)	4,629,536.32	Once off	Ongoing		The project is 85% to completion. Needs to improve on the progress We are 50% satisfied with their services/performance

LF Sets investments JV	SDF	6,45,000.00	Once off	Ongoing	Satisfied with overall performance
SSS Auctioneer	Auction (Disposal of Municipal Assets)	10% commission	Once off	Completed	Satisfied with the overall performance provided to the municipality as per service level agreement.
Pula Strategic Resources Mngt	Land Use Scheme	645,240.00	Once off	Ongoing	Satisfied with overall performance
Vumba Trading	Supply and Delivery of Protective Clothing	As in when required	Three (3) years	Ongoing	The service providers overall performance has been satisfactory thus far, however need to improve lead time.
Manna Holdings (Pty) Ltd	Maintenance of Municipal Valuation Roll	1,900,000.00	Three (3) years	Ongoing	The service providers has been appointed recently, however the service provider holds and exemplify the qualities required by the municipality.

APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST

DISCLOSURES OF FINANCIAL INTERESTS		
PERIOD 1 JULY 2015 TO 30 JUNE 2016		
POSITION	NAME	DESCRIPTION OF FINANCIAL INTERESTS
Municipal Manager	Mr. M.D. Nthau	<ul style="list-style-type: none"> ➤ Flat in Sasolburg ➤ House in Sasolburg ➤ Old Mutual
Chief Financial Officer	Ms. F.V. Mzizi	<ul style="list-style-type: none"> ➤ Close Corporation Company ➤ MEPF
Director Social and Community Services	Excinia Makgahlela	<ul style="list-style-type: none"> ➤ IEC MEO ➤ Old Mutual
Acting Director Infrastructure and Technical Services	Mr. F. Malatji	<ul style="list-style-type: none"> ➤ N/A

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APPENDIX K (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

REVENUE COLLECTION PERFORMANCE BY SOURCE					
R '000					
DESCRIPTION	YEAR 2015/16			VARIANCE	
	ORIGINAL BUDGET	ADJUSTMENTS BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUSTMENTS BUDGET
Property rates	18 947 000	33 528 000	48 818 236	-29 901 236	-15 290 236
Property rates - penalties & collection charges	-	-	-	-	-
Service Charges - electricity revenue	27 437 000	28 626 000	18 732 945	8 704 055	9 893 055
Service Charges - water revenue	23 448 000	32 606 000	40 012 885	-16 564 885	-7 406 885
Service Charges - sanitation revenue	19 484 000	19 484 000	21 838 407	-2 354 407	-2 354 407
Service Charges - refuse revenue	11 993 000	11 993 000	11 910 299	82 701	82 701
Service Charges - other	-	-	-	-	-
Rentals of facilities and equipment	196 000	264 000	265 570	-69 570	-1 570
Interest earned - external investments	399 000	500 000	495 130	-96 130	4 870

REVENUE COLLECTION PERFORMANCE BY SOURCE					
R '000					
DESCRIPTION	YEAR 2015/16			VARIANCE	
	ORIGINAL BUDGET	ADJUSTMENTS BUDGET	ACTUAL	ORIGINAL BUDGET	ADJUSTMENTS BUDGET
Interest earned - outstanding debtors	4 597 000	4 597 000	7 613 293	-3 016 293	-3 016 293
Dividends received	5 000	5 000	4 860	140	140
Fines	11 000	111 000	260 000	-249 000	-149 000
Licenses and permits	-	-	-	-	-
Agency services	-	-	-	-	-
Transfers recognized - operational	92 163 000	92 163 000	91 435 000	728 000	728 000
Other revenue	6 053 000	6 153 000	354 020	5 698 980	5 798 980
Gains on disposal of PPE	334 000	334 000	473 745	-139 745	-139 745
Environmental Protection	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	205 066 000	230 363 000	242 214 390	(37 177 390)	-11 850 390

APPENDIX K (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Refer to above table

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	
Finance management Grant	1 800 000	1 800 000	1 800 000	0	0	
Municipal systems Improvement Grant	930 000	930 000	930 000	0	0	
EPWP	1 112 000	1 112 000	1 112 000	0	0	
IEEG	1 500 000	1 500 000	1 500 000	0	0	
Total	5 342 000	5 342 000	5 342 000	0	0	

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

N/A

APPENDIX M (I): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

N/A

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

N/A

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

N/A

APPENDIX O – CAPITAL PROGRAMME BY PROGRAMME BY PROJECT BY WARD
YEAR 0

N/A

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/A

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

N/A

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

ALL ORGANISATION OR PERSON IN RECEIPT OF LOANS /GRANTS PROVIDED BY THE MUNICIPALITY	NATURE OF PROJECT	CONDITIONS ATTACHED TO FUNDING	VALUE AMOUNT
DBSA	Infrastructure	Infrastructure loan	R4164 325.79

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL
GOVERNMENT

Already reported

VOLUME II: ANNUAL FINANCIAL STATEMENTS