



Molemole Municipality

MOLEMOLE LOCAL MUNICIPALITY

DRAFT

ANNUAL REPORT

2016 /2017

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Chapter 1



COMPONENT A: MAYOR'S FOREWORD

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municipal stakeholders, namely: Mayor-Magoshi forum, the business associations, local civic organizations and the community at large. Public participation enables the municipal council to keep in constant touch with our communities in true commitment to our values of Transparency, Accountability, Trust and Partnership.

Pursuant to the development of a credible 2016-17 IDP document the municipal council has criss-crossed the length and breadth of the municipality to canvass the needs and interests of our community. It is an expressed intention of the municipal council to ensure the IDP reflects and wishes and aspirations of the people of this municipality. It was also our intention to ensure the development of a credible IDP is premised on the following six key pillars of local government, the key performance areas:

- Infrastructure and service delivery
- Institutional transformation and development
- Local economic development
- Financial viability
- Good governance and public participation
- Spatial Rationale

It is therefore only logical that as a Council we report on the progress towards the realization of those wishes to ensure we are true to our vision of a developmental people driven organization. The Annual report represents an opportunity for the Municipality to look back in terms of what it has been able to achieve over the preceding year and the lessons learned going into the following year. Once again as Molemole Local Municipality we are called to take stock and account on what we have done during the 2016/17 financial year in terms of service delivery mandate.

Two key pieces of legislation, that is, the Local Government: Municipal Systems Act (MSA), 2000 as per section 46 and the Local Government: Municipal Finance Management Act (MFMA), 2003 as per Section 121 read together with circulars 11 and 63 of the MFMA obligate us to develop an annual report that must be subjected to public scrutiny in terms of chapter 4 of the MSA. It is on this basis of the above provisions that the Draft Annual Report for 2016/17 has been prepared. This draft Annual Report represents the performance of the new council that was elected following the 2016 local government election.

During the year under review the Municipality was able to implement the following key projects;

- Construction of 3km Road from Ramokgopa to Eisleben
- Upgrading and construction of Mogwadi Internal Streets and Storm water channels
- Procurement of the TLB
- Procurement of 6m3 bulk refuse containers
- Renovation of Mogwadi Tennis Court
- Pegging of 100 sites (40 in Morebeng and 60 in Mogwadi)
- Capacitation of 5 graduates in agricultural programmes as part of Youth in Agriculture

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

1. Introductory background

The draft 2016/17 annual report sets yet another platform for Molemole Local Municipality to give feedback to its communities on service delivery improvements made and also account on administrative performance. Key to the performance of the municipality was the implementation of the approved 2016/17 Integrated Development Plan (IDP) crafted in line with the Local Government Key Performance Areas. The Council of the municipality adopted the Service Delivery and Budget Implementation Plan (SDBIP) as a vehicle towards the implementation of its IDP and key targets and indicators established for every Key Performance Area (KPA). To ensure that Senior Management Team implements exactly what Council has approved, all Senior Managers signed performance agreements for the 2016/17 financial year.

T 1.1.1

2. Key Performance areas of Local government:

Outlined below is a summary of how the municipality has performed on its mandate, powers and function during the year under review. The information is presented in accordance with the Six Key Performance Areas in terms of the Strategic Agenda of Local Government; namely

- Institutional Transformation and Organisational Development
- Basic Services and Infrastructure Delivery
- Local Economic Development
- Financial Viability and Management
- Good Governance and Public Participation
- Spatial Rationale

2.1 Institutional Transformation and Organisational Development

a) **Achievements**

The municipality continue to ensure legislative compliance on institutional development and has been able to develop and submit the workplace skills plan to LGSETA; developed and submitted the

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programme (EPWP) in the municipality.

b) Under achievements

The following projects could not be finalised during the report under review:

- Investment coordination and facilitations – Although the municipality was able to host a successful SMME and Investor Conference, the end result in terms of getting partnerships signed off could not be realised.
- Career EXPO- due to last minutes' challenges from institutions of higher learning as well as the Department of Basic Education the project could not be realised. It is however planned to take place in the 1st quarter of the following financial year.

2.4 Financial Viability and Management

a) Achievement

For the financial year 2016/17 the municipality received unqualified audit opinion, which brings it the 3rd consecutive year of unqualified audit opinion. The municipality will ensure that all efforts are put in place to improve this opinion to attain a clean audit, that is, unqualified audit opinion with no matters of emphasis.

The municipality continues to perform all compliance matters as required, that is; Submission of the Annual Financial Statements (AFS), Adoption of the budget, and submission of all In-ear reports were done on time. The municipality was also able to prepare its Budget on MSCOA format and was ready for implementation on 1st July 2017 as required.

b) Underachievement

There is still a marked under spending of some of our conditional grants resulting in projects being roll over. This is mainly due to capacity within Technical Services Department and non-performance by appointed service providers.

The municipality still experienced a challenge in terms of low revenue base coupled with the non-collection of the out- standing debt from previous financial years due to non-payment by rate payers.

2.5 Good Governance and Public Participation

a) Achievements

Striving for inclusive local government and transparent administration, the municipality held Mayoral Imbizos as planned, Ward Based IDP/Budget Community Consultations, Council strategic planning session and open council meetings. Audit Committee which also performs the role of Performance

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matter of urgency.

- Where there was persistent non-performance due to appointed service provider's management terminated the contracts of the affected service providers and appointed new ones

3. Internal management changes in relation to Section 56/57 managers:

During the year under review vacancies at senior management level were in Community Services since December 2017, while in Corporate Services and Technical Services were from June 2017.

4. Risk assessment and the development and implementation of measures to mitigate the top 5 risks.

Top five risks that formed part of the strategic risk register for the year under review are as follows:

- Illegal connections.
- Misuse of land.
- Illegal dumping.
- Ageing infrastructure e.g. electricity, roads and water.
- Inability to attract investors.

The risks are monitored and progress to mitigate is updated continuously in the risk register.

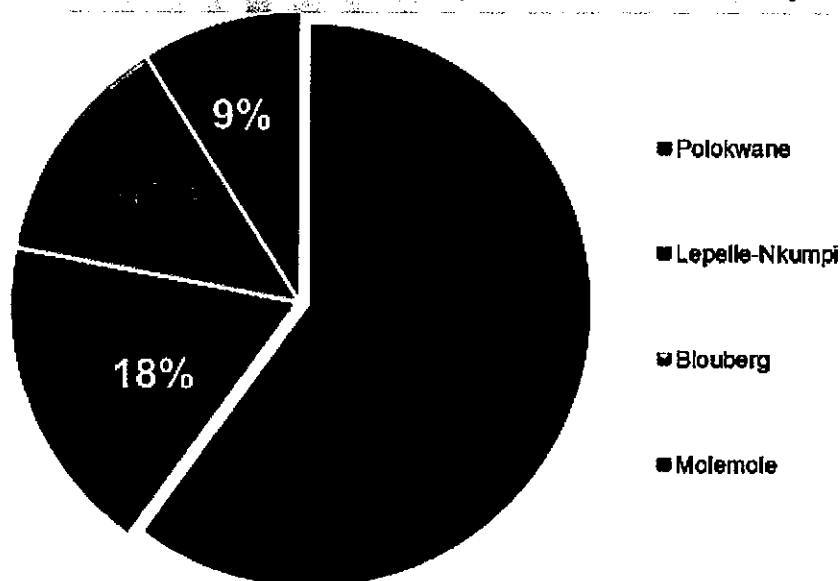

M W Ramogale
Acting Municipal Manager

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According to **Diagram 1** below, it is clear that Molemole Municipality has the lowest (8.6%) of population in the CDM District as compared to other four Local Municipalities with Polokwane Municipality having the highest (49.9%) population. The Black African population in 2011 accounted for about 98.36% of the Molemole Municipal population, followed by the White population at 1.12%. The Coloured and Indian population together accounted for only 1.1% of the total municipal population (see **Diagram 2**).

Diagram 1: Population Composition in the CDM

Population Distribution per Local Municipality

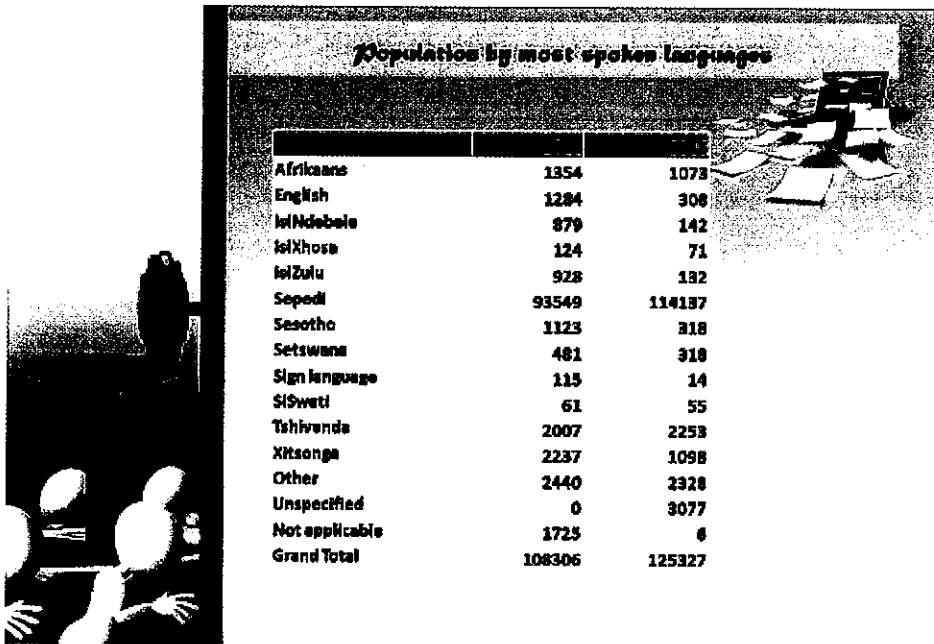


MOLEMOLE RACIAL COMPOSITION.

The total population of Molemole Local Municipality increased as a result of the demarcation process having two wards from the disestablished Aganang Municipality incorporated into our municipality with a population of about 16 832 which then increased our initial population from 108 321 according to census 2011 to 132 861. The Molemole population constitutes 8.6% of the Capricorn District's and only 2% of the Limpopo Province's population.

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Table: 2 Molemole Racial Composition by most spoken languages.



Population by most spoken languages		
	2007	2011
Afrikaans	1354	1073
English	1284	308
isiNdebele	879	142
isiXhosa	124	71
isiZulu	928	182
Sepedi	93549	114187
Sotho	1123	318
Setswana	481	318
Sign language	113	14
siSwati	61	55
Tshivenda	2007	2253
Xitsonga	2237	1098
Other	2440	2328
Unspecified	0	3077
Not applicable	1725	8
Grand Total	108306	125327

STATS SA
STATISTICS SOUTH AFRICA

THE SOUTH AFRICAN BUREAU OF STATISTICS

AGE AND GENDER DISTRIBUTION.

The age structure of a population plays an equally vital role in influencing growth prospects, and will inform decisions on the provision of services such as community services and transport. The age structure of Molemole LM compares relatively well to that of the Capricorn DM, and Limpopo Province (see Diagram 3 and 4). The proportion of people in the age categories (75+ years) has slightly increased since 2007. This means that there is an expected pressure on the provision of old age facilities such as pension pay points. Evidently,

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EMPLOYMENT PROFILE.

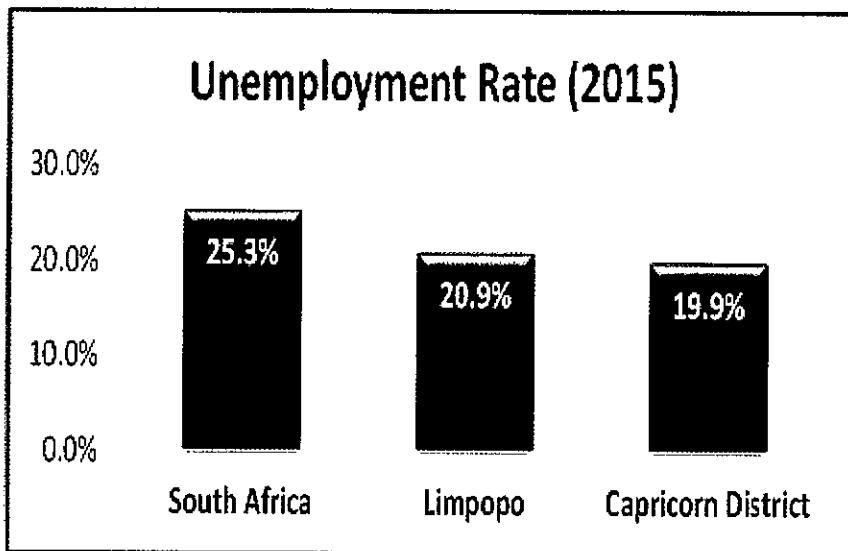
The economically active population in Molemole Local Municipality increased significantly from 9.7% in 2001 to 26.3% in 2007 (see **Table 2**). Although the unemployment rate decreased from 39% in 2001 to 32% in 2007, it is relatively a smaller improvement. Job creation and poverty alleviation still remain important challenges to be addressed. Majority of the people are more concentrated in the public sector. There are limited industrial areas which can be able to absorb the technical skilled employees.

MLM Employment Status

As with education levels, income levels are concentrated in the low income categories and decrease in the high income brackets. This is an indication of poverty levels or state of communities and hence low affordability levels.

Diagram 5 shows high proportion of people with no income which also signals the level of poverty in this Municipality. This category represents the proportion of people who are unemployed and rely on government grants. This poses a challenge for the Municipality in terms of job creation and the need to invest in education and skills training.

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Global Insight Database, Sept 2016

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

INCOME LEVELS.

As with education levels, income levels are concentrated in the low income categories and decrease in the high income brackets. This is an indication of poverty levels or state of communities and hence low affordability levels. **Diagram 5** shows high proportion of people with no income which also signals the

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Diagram 5

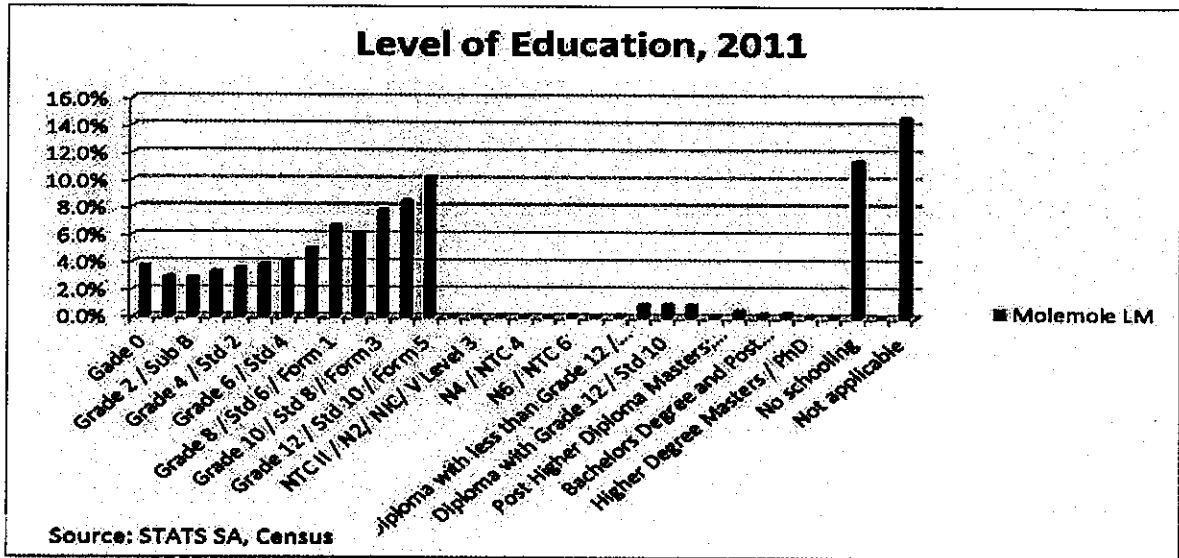


Table 7: Educational Institution by Present school attendance

Statistics South Africa/Census 2011 Community Profiles

Educational Institution by Present school attendance

for Person weighted, LM3553: Molemole

EDUCATIONAL INSTITUTION	CURRENT SCHOOL ATTENDANCE				
	Yes	No	Do not know	Unspecified	Not applicable
Pre-school including day care, crèche, Grade R and Pre-Grade R in an EGD centre	381				
Ordinary school including Grade R learners who attend a formal school; Grade 1-12 learners & learners in special class	36703				
Special school	123	5			
Further Education and Training College FET	529				
Other College	233				
Higher Educational Institution University/University of Technology	960				

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Statistics South Africa/Census 2011 Community Profiles

Education_Electoral_Wards

Table 1

Highest educational level by Population group
for Person weighted, LIM353: Molemole

HIGHEST EDUCATIONAL LEVEL	Black African	Coloured	Indian or Asian	White	Other
Grade 0	4030	2	1	16	5
Grade 1 / Sub A	3166	4	-	14	1
Grade 2 / Sub B	3128	1	1	9	1
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	3617	2	2	9	4
Grade 4 / Std 2	3855	1	1	12	9
Grade 5 / Std 3/ABET 2	4112	2	2	21	11
Grade 6 / Std 4	4364	2	5	20	2
Grade 7 / Std 5/ ABET 3	5374	2	4	51	25
Grade 8 / Std 6 / Form 1	7139	15	5	49	22
Grade 9 / Std 7 / Form 2/ ABET 4	6620	7	1	38	16
Grade 10 / Std 8 / Form 3	8286	17	15	117	22
Grade 11 / Std 9 / Form 4	9084	6	6	48	42
Grade 12 / Std 10 / Form 5	10679	7	36	377	26
NTC I / N1/ NIC/ V Level 2	122	-	-	5	5
NTC II / N2/ NIC/ V Level 3	76	-	-	3	-
NTC III /N3/ NIC/ V Level 4	85	-	-	20	1
N4 / NTC 4	73	-	-	6	-
N5 /NTC 5	52	-	-	3	-

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1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

WATER AND SANITATION ANALYSIS.

NORMS AND STANDARDS ON WATER AND SANITATION PROVISION.

Water and sanitation provisions are guided by the Water Services Act (Act no. 108 of 1997) and National Water Act (Act no. 36 of 1998). The acts provide for the rights to access to basic water supply and sanitation services, the setting of national standards and norms (relating to amount, quality, distance from point of use, etc.), protection of water resources, the accountability of the Water Services Providers, the monitoring of water supply and sanitation services, etc.

WATER SOURCES.

The Municipality's source of water is groundwater. This is characterized by unreliable boreholes with aging infrastructure and inadequate water supply. 27.2% of the municipal population where there are no water sources is supplied by water tankers, which are also relying on the boreholes from other villages.

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Water Supply Challenges and Interventions

Challenges	Proposed Interventions
Ageing infrastructure	<ul style="list-style-type: none"> • Functional assessment of water services infrastructure completed and costed. • Recommended funding requirements of functional assessment to be considered during budget processes and Sector departments to assist. • WSIG grant partly addressing ageing infrastructure.
High water losses	<ul style="list-style-type: none"> • Water Conservation and Water Demand Management Unit to be established
Inadequate bulk water supply and lack of funding	<ul style="list-style-type: none"> • Department of Water and Sanitation together with the district have conducted feasibility studies for Nandoni Dam – Molemole LM, Flag Boshielo Dam – (Polokwane LM) and Glen-Alpine Dam – (Blouberg LM) • Provide water infrastructure to metered yard connection to enable water conservation and demand management.
Over-reliance on boreholes	<ul style="list-style-type: none"> • Geo-hydrological study completed and its recommendations to be implemented in the next coming three financial years • Provision of water tanker services to communities where boreholes have dried-up or collapsed as a temporary measure.

Operation & Maintenance Challenges and Interventions

Challenges	Proposed Interventions
Theft and vandalism of water system infrastructure.	<ul style="list-style-type: none"> • Construction of concrete pump houses. • Risk unit to develop the security plan measures to minimise the theft and vandalism.
Drying boreholes.	<ul style="list-style-type: none"> • Water tinkering done as and when the village is affected.
Stealing of the transformers.	<ul style="list-style-type: none"> • Regular meetings between Eskom, CDM and SAPS • Community awareness Campaigns. • Eskom commitment to secure transformers against theft to be presented to the municipality.
<ul style="list-style-type: none"> • Prolonged turnaround time to attend to repairs and maintenance. • Lack of customer care contact number for water challenges. 	<ul style="list-style-type: none"> • Establishment of customer care line.
Minimal cost recovery and limited budget for Operations & Maintenance.	<ul style="list-style-type: none"> • Cost recovery measures to be improved where there are yard connections. • Water Service Provider and CDM agreement to be reviewed. • O & M budget to be reviewed accordingly.

Chapter 1

The Municipality has been operating in a positive cash flow for the past financial year and the trend continues into the current financial year.

There was never a slight threat to pay creditors on due dates.

The Municipality does not borrow and do not have any loans with any 3rd party.

CONTINGENT LIABILITIES

- The pending contingent liabilities in the amount of **R 990 000.00** is higher in the past financial year.
- All pending legal or regulatory proceedings against the municipality will be paid, if successful.

MITIGATING PLANS

The entity has debtors amounting **R51 527 289** (Gross including water debtors and interest) and has commenced on a rigorous debt collection campaign to liquidate this asset.

There are no new financial commitments with any party and priority is given to the already committed roll over project.

CONCLUSION

FINANCIAL

There are no borrowings approaching maturity without realistic prospects of renewal or repayment; or excessive reliance on short-term borrowings to finance long-term assets.

There are no substantial operating risks or operating factors that are serious significantly causing deterioration in the value of assets used to generate cash flows.

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Operating Ratios	
Detail	%
Employee Cost	
Repairs & Maintenance	
Finance Charges & Impairment	
T 1.4.3	

Total Capital Expenditure: Year -2 to Year 0			
	R'000		
Detail	Year -2	Year -1	Year 0
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
T 1.4.4			

Chapter 1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Council approved an organizational structure making provision for a total of 210 funded and unfunded posts. Out of a total of 210 funded and unfunded posts, 33 is vacant and unfunded whilst 14 is vacant and funded. A total thereof of 163 posts are filled and fully funded on the organizational structure of the municipality. Percentage-wise the occupancy rate translates to 88% and the vacancy rate stands at 12%.

A Workplace Skills plan (WSP) was compiled, consequently submitted as required to guide desired training programmes in an effort to strengthen capacity and a total of 55 employees despite limited funding were trained on various municipal programmes not limited to Minimum Competency prescribed Regulation. A total of 32 Councilors were also trained on various Skills programmes, out of the 32 Councilors 02 were trained on learnership and 30 were also trained on short courses. A total of 46 employees including Councilors got trained specifically on skills programmes whilst 05 were subjected to short courses and 04 were on learnership programmes. A total of 34 appointments were made and a larger part thereof was the appointment of Councilors as a result of the 2016 Local Government Elections. The Human Resource Management (HRM) is further strengthened through various Committees in line with Good Governance and are fully functional.

- Training Committee
- Workplace Forum (Local Labour Forum)
- Health & Safety Committee

a) External Bursary Programme

One (1) student has since completed her studies and three (3) are set to complete by end 2017.

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PERSONNEL PROVISIONING

- a) **Recruitment and retention of employees** – 12 positions were filled in the year under review, 03 positions in Mayor’s Office, 01 position in Community services, 02 position in Corporate services, 04 position in Budget and Treasury, 01 position in Technical Services and 01 position Municipal Manager’s Office.
- b) An **Employment Equity** report was developed and submitted to the Department of labour in line with the requirements of the Employment Equity Act.

EMPLOYMENT EQUITY ALL EMPLOYEES	
Female	93
Male	70
Grand Total	163

- c) **Gender representatives** in respect of departments is outlined hereunder:

Department	Female	Male	Total
Community Services	23	36	59
Corporate Services	23	12	35
Local Economic Development & Planning	1	5	6
Finance Management Services	18	8	26
Technical Services	3	25	28

Chapter 1

- Personal leave files were opened for all employees including transferred employees.
- Approved leave applications were captured weekly on payday system and updated regularly.
- The municipality is slowly migrating to electronic leave management system although there have been challenges when it comes to approval due to system downturn and server downturn as a result of Telkom data line.

j) Labour Relations

- Molemole Municipality had a good relationship with Trade Unions and issues of Labour forums were attended to promptly
- There has never been any protest action in 2016/17 financial year.
- Matters of mutual interest between the employer and employees are bargained at LLF and there were challenges in holding meetings as prescribed due to members not forming a quorum. A total of 4(Four) LLF meetings were convened.

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 16/17

The municipality has sustained the unqualified audit opinion third financial year in a row. Historically, the municipality has been in tireless effort to correct prior year errors which led to material misstatements in annual financial statements. Over the past two financial years, efforts to correct such errors through putting up appropriate control mechanisms, credible asset inventory, full implementation of the audit action plan and ensuring compliance in all respects have materially amongst other things contributed to an improved audit opinion.

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section 65 of the Municipal Finance Management Act (Act 56 of 2003). The municipality does not borrow and does not have any borrowings that may be impact its risk profile.

1.7. STATUTORY ANNUAL REPORT PROCESS

The deadlines are important as they make the processes easy and consultation of all stakeholders possible. The municipality is able to reflect on the successes, failures and challenges of the previous financial year. This then prepares planners to come up with clear strategies to improve on where we did not do well as a municipality.

COMMENT ON THE ANNUAL REPORT PROCESS:

The deadlines are important as they make the processes easy and consultation of all stakeholders possible. The municipality is able to reflect on the successes, failures and challenges of the previous financial year. This then prepares planners to come up with clear strategies to improve on where we did not do well as a municipality.

The importance of alignment is that there is common understanding and approach towards service delivery of the municipality as outlined in the IDP which is the strategic document of the municipality. The IDP sets broader objectives; narrows the objectives to the departmental level and performance monitoring monitors the indicators of our objective areas.

Chapter 1

16	Council adopts Oversight report	March
17	Oversight report is made public	April
18	Oversight report is submitted to relevant provincial councils	April
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	April

Chapter 2

PHOTOS	POLITICAL STRUCTURE	FUNCTION
	MAYOR PAYA ME	The Mayor is the political head of the municipality He is also the chairperson of the executive committee during EXCO meetings
	SPEAKER MORERWA MS	The speaker is the chairperson of the council meetings The speaker signs all the notices and the agenda of the council before are disseminated to all councillors The speaker also signs the resolutions before are implemented by various departments
	CHIEF WHIP RATHAHA ME	The chief whip is the chairperson of the coccus The chief whip ensures that the manifesto is adhered to at all times
	LEHONG DM	<i>Chairperson of technical ensures that projects are implemented as per specification. Make sure that projects are completed as per the contract period.</i>
	SEAKAMELA NW	Finance chairperson chairs the finance portfolio. He also ensures that financial issues are implemented as per the MFMA
	RAMPYAPEDI NF	The chairperson ensures that portfolio meetings are convened as per the corporate calendar He is the chairperson of the portfolio committee

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

ROLE OF THE MUNICIPAL MANAGER.

The municipal manager is the head of administration of the municipality and is amongst other issues responsible for the policy direction of the municipal council ensuring that the day to day activities of various components deliver on the strategic objectives and also accountable for:

- The formation and development of an economical, effective, efficient and accountable administration.

carry out the task of implementing the municipality's integrated development plan in accordance with chapter 5 of the Municipal Systems Act 32 of 2000.

Manage the Performance Management System of the municipality in accordance with chapter 6 of Municipal Systems Act 32 of 2000.

Responsible for the community needs and make sure that the community participates in the affairs of the municipality.

Manage the provision of services to the local communities in an equitable and sustainable manner.

The appointment of staff other than those referred to in section 56.

Maintenance of discipline of staff.

Manage communication channels between the municipality's administration and its political structures and political office bearers.

Carry out decisions of the political structures and political office bearers of the municipality.

Responsible for all income and expenditure of the municipality, all assets and the discharge of all liabilities of the municipality.

Proper and diligent compliance with the Municipal Finance Management Act.

Ensuring adherence to principles guiding attainment of improving audit opinion by tightening internal controls.

ROLE OF SENIOR MANAGERS

Chapter 2

TOP ADMINISTRATIVE STRUCTURE

PHOTOS	DESIGNATION	INITIALS AND SURNAME
	Municipal Manager	Mr. N.I Makhura
	Chief Financial Officer	Mr. E.K Moloko
	Senior Manager: Corporate Services	Mr. M.H Madibana
	Senior Manager: Technical Services	Mr. DM Masipa
	Senior Manager: Community Services	Mrs. M.P Moabelo
	Senior Manager: LED&P	Mr. N.N Keetse

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

It is mainly SALGA initiated forums such as National IGR, Premier's IGR forums which from time to time enable various municipalities to interchange or share best practice models on a whole range of issues geared at accelerating service delivery for a better life. To a limited extent, institute for Local Government Management also does once in a while initiate meetings between municipalities. It goes without saying greater involvement of National and Provincial sector departments is still necessary in the development of IDP's and the involvement thereof should be of more senior representatives within this IDP processes so that projects planned for them by individual municipalities find expression in the IDP documents and are accordingly planned, that synergy of ensuring that Integrated Planning is still not good enough

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In pursuit of promoting public accountability and participation, Molemole Municipality demonstrated a strong commitment on community centred participatory approach in the management of the municipality. Extensive/ entrenched involvement of communities in Municipal planning through established institutional arrangements characterised by the initiative undertaken to give expression to public accountability. In this regard significant strides were made in engaging communities through the utilization of various governmental structures at both the Executive and Legislative components of Council.

Significantly this was aimed at ensuring that communities participate actively in the development of their respective areas and also ensuring that the Municipality's commitment to supplying the community with information concerning issues of Municipal governance, management and development. IDP and Budget engagements –IDP review meetings were held as a means to consult broader communities in an effort to allow them to prioritise their needs for consideration in the planning of the business of the Municipality.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The turnout/audience at the events exceeded expected targets by bigger margins.

Stakeholders who participated in the above public meetings include in the main, Traditional Leaders, Ward Committees, CDW's, Sector Departments, NGO's, CBO's, and the community members from various constituencies.

Feedback on most issues raised were responded to immediately by the Political and Administrative leadership while some issues were referred to their relevant departments for further attention.

In the period under review, there were no community protests, petitions or unrests directed at the municipality.

Chapter 3

PUBLIC MEETINGS					
Nature and purpose of the meeting	Date of Events	Number of participating Municipal Councilors	Number of participating Municipal administrators	Number of Community members attending	Date and manner of feedback given to community
Mayoral Imbizos	05/11/2016@Chicago Sports Ground,Mokomene	16	07	233	30/05/2017@Tidima Sports Grounds
	04/03/2017@Makgato Pirates Sports Grounds	18	11	235	
	30/05/2017@Tidima Sports Grounds	17	13	643	
IDP Consultative meetings	15-11-2016@Nthabiseng Community Hall	2	07	22	15-11-2016@Nthabiseng Community Hall
	16-11-2016@Eisleben Community Hall	1	07	7	16-11-2016@Eisleben Community Hall
	16-11-2016@Ramohlale Primary School		12	64	16-11-2016@Ramohlale Primary School
	17-11-2016@Makgato Tribal Authority		5	8	17-11-2016@Makgato Tribal Authority
	17-11-2016@Kgorong Ya Rapholo	2	08	17	17-11-2016@Kgorong Ya Rapholo
	18-11-2016@Lephalale Primary School	3	08	19	18-11-2016@Lephalale Primary School
	18-11-2016@Sekakeng Community Hall	3	04	16	18-11-2016@Sekakeng Community Hall
	29-11-2016@Motswapo Pre-School	1	08	16	29-11-2016@Motswapo Pre-School

Chapter 3

.PUBLIC MEETINGS					
Nature and purpose of the meeting	Date of Events	Number of participating Municipal Councilors	Number of participating Municipal administrators	Number of Community members attending	Date and manner of feedback given to community
					Cosmos Sports Ground
Council Outreach Meeting					
Open Council Meeting	31/03/2017 Mohodi Community Hall, Mohodi	28	08	138	
	30/05/2017 Tsherane MPCC Hall, Sefene	31	06	62	
Open Council Meeting	31/03/2017 Mohodi Community Hall, Mohodi	28	08	138	
	30/05/2017 Tsherane MPCC Hall, Sefene	31	06	62	

Chapter 3

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

During the year under review, the priorities of the Municipality were channeled at strengthening good governance, deepening broader community participation in development planning, facilitating job creation initiatives and improving operational efficiency. In this instance the focus was on strengthening capacity in line with the priorities of the NDP (National Development Plan), tightening internal controls through review and development of other necessary policies, improving community participation processes and strengthening financial Governance.

In pursuit of enhancing good governance, the following interventions were made and National Treasury extended a helping hand and assigned a Technical Advisor who will assist the Municipality in all issues of Finance Management and broader compliance issues thereby ensuring skills transfer to existing personnel. Municipality ensured installation of prepaid meters in both towns for electricity and on-line vending solution for uninterrupted service when it comes to electricity purchase and Council on the other hand revised existing finance related policies ranging from SCM and other key rates policy streamlining them to external legislative amendments. In order to improve operational efficiency, the Municipality identified capacity building as a key strategic lever for the long term relevance of the Municipality and key focus thereof was on capabilities of broader workforce in keeping with the spirit of the NDP/ vision 2030 of strengthening the capacity of the state.

The Municipality has reasonably had a stable workforce since implementation of an organization wide re-engineering process which got introduced at the time when the Municipality experienced high turnover rate some three (3) years ago. At senior management and mid-management level, there has never been any exit in the past two (2) years which then validates the positive results that came out of the said exercise and for a change, the Municipality is in a position to attract reasonably knowledgeable and better skilled employees. At this moment almost all critical positions except two (2) in the entity haven't been filled despite being funded and are due for processing pending Council resolve.

Chapter 3

Quarterly progress report on the implementation of Risk Management are submitted to the Audit Committee and Council. The following risks were identified as top five (5) risks identified after completion of the IDP:

1. Low revenue streams and collection.
2. Fraud and corruption,
3. Non-compliance to MSCOA regulations.
4. Inadequate Performance Management System.
5. Landfill sites not adequately managed.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

ANTI-FRAUD AND CORRUPTION STRATEGY

The municipality does not tolerate any corrupt or fraudulent activities whether internal or external to the organisation, and will vigorously pursue and prosecute any party, by legal means available, which engage in such practices or attempt to do so. In an effort to fight Fraud and Corruption the municipality has approved and implemented the Fraud Prevention Policy, Fraud Prevention Strategy and the Fraud Prevention Plan.

The municipality also uses the review by the internal audit unit and the Office of the Auditor General (AGSA) on the control environment to the municipality to detect any corrupt and fraudulent activities. The oversight by the MPAC and the Audit Committee also add value in the fight against fraud and corruption. The Anti-Fraud hotline by the Capricorn District Municipality and Premier's fraud hotline are other measures that the municipality utilised in the fight against Fraud and Corruption. There was no fraud related cases that were reported from District anti-fraud hotline in 2016/17 financial year. The municipality also uses review by the internal audit unit and Office of the Auditor General (AGSA) on the control environment to detect any corrupt and fraudulent activities.

Chapter 3

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Section 217(1) of the Constitution of South Africa requires that every organ of the state and all public institutions and related structures shall contract for goods and services in accordance with a system which is:

- Fair
- Equitable
- Transparent
- Competitive and Cost effective

The above principles are ushered and are made alive through a range of legislation and supply chain management is governed and enforced in compliance with the constitutional principles through the procurement policy framework Act (Act 5 of 2005) as amended and the appropriate SCM regulations and related public practice notes.

Procurement is governed by an approved policy that has been formed through the above framework and is slowly in the process of in-keeping with the recent legislation and other pieces of legislation(s) that discourages fraud, corruption and money laundering and other anti-social behaviors related to financial impropriety and tax evasion. Preferential treatment is practiced by the organ of the state in order to protect and assist in the protection or advancement of persons or categories of persons disadvantage by unfair discrimination.

2.9 BY-LAWS

By-laws Introduced during Year 2015/16					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Traffic (enforce and ensure compliance NRTA) By-law	No	Yes	2016/17 financial year	No	Not yet published

Chapter 3

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date
Current annual and adjustment budgets and all budget related documents	Yes	Monthly
All current budget related policies	Yes	1 st July
The previous annual report (2012/13)	Yes	
The annual report (2012/13 and 2013/14) published / to be published	Yes	
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	On appointment
All service delivery agreements (2015/16)	Yes	
IDP 2015/16	Yes	
All long term borrowing contracts (2013/14)	N/A	
All supply chain management contracts above a prescribed value (give value)	N/A	
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)	Yes	Yearly
Contracts agreed in 2015/16 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
PPP agreements referred to in section 120	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during (2015/16)	Yes	As and when tabled to council

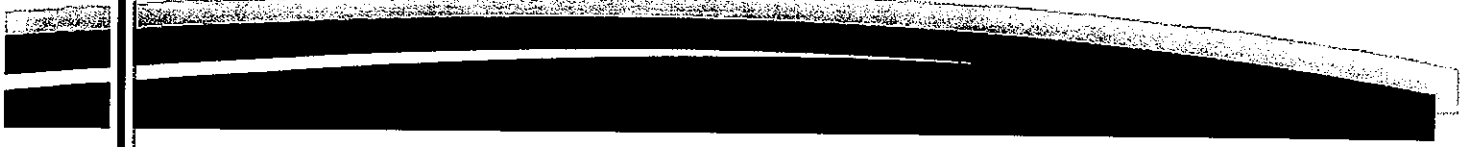
Chapter 3

The municipal council has approved service standards whose main purpose is to set timeframes and the level of service quality that residents can expect from all municipal service points. The service standards are going to be published in booklets to be distributed to communities. The booklets are expected to be published by the end of the 3rd quarter 2018

THE REPORT ON COMPLAINTS MANAGEMENT DURING THE 2016/17 FINANCIAL YEAR IS TABULATED BELOW:

DIVISION	TOTAL CASES RECEIVED	TOTAL CASES RESOLVED	TOTAL CASES OUTSTANDING
Administration	6	6	0
Road & Storm Water	2	0	2
Water & Sanitation	1	0	1
Electricity	6	0	6
Parks & Cemetery and Refuse Removal	3	0	3
Library	0	0	0
Traffic	3	0	3
IDP	0	0	0

Chapter 3



Chapter 3

DESCRIPTION	ANNUAL BUDGET	ANNUAL ACTUAL	% REVENUE /EXPENDITURE	VARIANCE	REASONS FOR VARIANCE
Interest earned- outstanding debtors	1,508,722	1,574,496	104	-4	Community engagement process of resolving long outstanding debt challenges led to rate payers declining to pay services
Fines	1,017,128	1,212,000	119	-19	Assumptions was done based on the previous financial year's actual movement and due to traffic officer's experience and skills development the number of tickets issued increased.
Licence and permits	4,000,000	3,471,446	87	13	The Municipality is having an ENATIS system problem which emanated after the appointment of the new service provider and the problem has been persistent for consecutive months. The Department of Transport is currently assisting the municipal traffic department in resolving the matter.
Agency services	2,649,845	2,368,846	89	11	Fluctuations of water pressure due to lack of sustainable water supply sources
Actuarial gains	-	1,335,841	100	0	Gain from actuarial report not foreseen during budget process
Transfers recognized- operational	130,257,759	124,396,032	95	5	
Transfers recognized – capital	44,024,000	28,048,247	64	36	Challenges with two projects funded by MIG. Mohodi sports complex contractor terminated and Ramokgopa stadium contractor appointed in June due to long engagements with Department of sport.

Chapter 3

DESCRIPTION	ANNUAL BUDGET	ANNUAL ACTUAL	% REVENUE /EXPENDITURE	VARIANCE	REASONS FOR VARIANCE
Debt impairment	6,301,000	8 026 682	127	-27	Impairment from the District (CDM) and properties received from Aganang.
Depreciation	8,978,052	8,517,577	95	5	
Finance Costs	1,050,000	1,062,667	101	-1	Additional interest from extended contract of 2 photocopiers
Electric Purchases	9,299,000	7,502,657	81	19	VAT differences
Contracted services	3,506,327	3,133,474	89	11	VAT differences
General Expenses	42,882,482	51 340 929	120	-20	Reallocation of RAL road from capital expenditure to operational expenditure
Repairs and Maintenance	8,280,093	5,220,502	63	37	Most of the budget was planned as and when the need arises. There was no expenditure on Repair and maintenance of high mast light since the high mast light was not acquired
Loss on disposal of assets	-	33,404	-	100	Council resolution to write off redundant and obsolete assets
TOTAL OPERATING EXPENDITURE	167,204,492	162,507,472	97	3	
The Annual operating budget for 2016/17 financial year amounts to R167, 204,492. The actual operating expenditure for the period ending 30 June					

DEBTORS

Comprehensive analysis of service debtors

The net outstanding debtors per services as at 30 June 2017 amounts to Rand is made up as follows:

Service	Current	Current VAT	30 Days	30 Days VAT	60 Days	60 Days VAT	90 Days	90 Days VAT	90 Days VA	120 Days	120 Days VAT	150 Days
Electricity	223 250,26	30 903,37	159 282,00	21 396,72	142 838,36	19 672,53	97 330,91	13 616,50	109 584,95	15 017,40	4 215 127,83	
Basic Refuse	134 837,20	18 850,83	130 479,06	18 228,77	128 875,08	18 014,41	128 066,43	17 907,78	127 490,98	17 842,23	6 121 207,51	
Water and Sewerage	179 864,46	25 162,75	175 950,81	24 603,61	166 126,37	23 227,18	160 181,96	22 387,50	168 415,83	23 424,43	9 974 568,39	
Deposit	307,00	-	-	-	-	-	-	-	-	-	10 933,31	
Interest	144 110,01	-	140 670,95	-	137 864,39	-	134 350,14	-	131 170,82	-	5 788 868,64	
Sundry	2 712,96	379,82	2 712,96	379,82	2 712,96	379,82	2 712,96	379,82	2 712,96	379,82	405 366,54	
Property rates	911 358,91	-	918 424,66	-	908 885,26	-	906 407,34	-	891 871,53	-	38 979 531,08	
	1 596 440,80	75 296,77	1 527 520,44	64 608,92	1 487 302,42	61 293,94	1 429 049,74	54 291,60	1 431 247,07	56 663,88	65 495 603,30	

The net outstanding debtors per category as at 30 June 2017 amounts to Rand is made up as follows:

1.1. DEPARTMENT: CORPORATE SERVICES

4	Administration	Construction of Parking Bays at Civic Centre and Old Building	Number of municipal parking bays constructed	New indicator	35 municipal parking bays constructed	20 municipal parking bays constructed	N/A	Achieved	New	None	None	Budget R200,000 (Aganang MDTG) R250,000 Expenditure R449,705.00	Approved Specification Appointment letter. Invoice
5	Administration	Mobile Unit	Number of mobile office unit procured	New indicator	One (1) Mobile office unit	None	N/A	Achieved	New	None	None	Budget R1,800,000 Expenditure R1,397,436.90	Approved Specification Appointment letter. Invoice
6	Administration	Procurement of Office Furniture	Number of office furniture procured	New indicator	200 office furniture procured	None	N/A	Not Achieved	New	Budget reduced due to withdrawal of MDTG grant	Outstanding furniture items to be procure	Budget R600,000	Approved Spec Appointment letter. Invoice

9	Human Resources Management	Installation of Fire detectors and alarm system	Installation of Fire detectors and alarm system	New Indicator	Installation of fire detectors and alarm system	None	N/A	Not achieved. Project discontinued and funds moved to other projects during adjustment budget.	New	No building plans to implement the project	Deferred to 2017/8 financial year	Budget R200,000 Expenditure R0	Budget Adjustment	Strategic risk register 2016/17
10	Risk Management	Risk Management	Percentage of identified risks resolved within timeframe as specified in the risk register	54% of risks resolved (2 strategic risks and 15 operational risks resolved)	100% of risks resolved within the timeframe as specified in the register	None	Not Achieved	Achieved 100% of risks resolved within the timeframe as specified in the register	Old	None	None	Opex		

Basic Services & Infrastructure Planning													
Outcome 9: Responsive, Accountable, Effective and Efficient Local Government System													
Outputs: <ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning, and support Improving access to basic services Implementation of the community works programme 													
Strategic objectives Provision of sustainable infrastructure and basic services													
No.	Priorit y area (IDP)	Project Name	Key performance Indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance Achievement	2016/17 Actual achievement Achieved or not Achieved	New or Old Indicator	Challenges	Corrective measures	Budget Expenditure	Means of verification
OPERATIONAL AND MAINTENANCE													
12	Access roads	Mohodi to Maponto gravel to tar	Number of Mohodi to Maponto Gravel to Tar constructed	New indicator	3,5 km of road complete d	2.0 km of road completed	N/A	Not Achieved Roadbed layer works and stabilization 95% complete and culverts are at 100% complete	New	Electrical poles in the roadway awaiting for Eskom to relocate poles.	Multi-year project.	Budget R9 799 853,00 Expenditure R6 052 935,53	Physical internal Street constructed SLA and progress payment Certificates.
13	Access roads	Ramokgo pa Eiseben gravel to tar	Number of Ramokgopa Eiseben Gravel to Tar	New indicator	3 km of road complete d	None	N/A	Achieved 3 km of road	New	None	None	Budget R17 113 747,00	Physical verification SLA and progress Payment

Key Performance Area (KPA) 2:		Basic Services & Infrastructure Planning											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning, and support Improving access to basic services Implementation of the community works programme 											
Strategic objectives		Provision of sustainable infrastructure and basic services											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance Achievement	2016/17 Actual achievement Achieved or not Achieved	New or Old Indicator	Challenges	Corrective measures	Budget Expenditure	Means of verification
OPERATIONS AND MAINTENANCE													
15	Roads	Procurement of TLB	Number of TLB Procured	New indicator	One (1) TLB Procured	None	N/A	Achieved	New	None	None	R1 500,000.00	Appointment letter SLA Procured TLB
16	Social amenities	Mohodi Sport Complex	Construction of Mohodi sports complex	Layer works and lights installed	Grandstand, change rooms and septic	Completion on outstanding layers works,	Not achieved	Not achieved	Old	Contract terminated due to poor performance	Re-appointment of new reputable	Budget R5 046 300.00	Appointment letter SLA and Payment

Basic Services & Infrastructure Planning													
Outcome 9: Responsive, Accountable, Effective and Efficient Local Government System													
Outputs: <ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning, and support Improving access to basic services Implementation of the community works programme 													
Strategic objectives Provision of sustainable infrastructure and basic services													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance Achievement	2016/17 Actual achievement Achieved or not Achieved	New or Old Indicator	Challenges	Corrective measures	Budget Expenditure	Means of verification
17	Social Amenities	Construction of Ramokgopa Stadium	Construction of Ramokgopa stadium football and cricket pitch, borehole and storage tank sewer system fence and gates completed	New indicator	Design and construct football and cricket pitch borehole and storage tank sewer system fence and gates completed	None	N/A	Not achieved Appointment of consultant and contractor and also handed over side for construction	New	Role clarification between MLM and Department of Sports Art and Culture regarding the SCM processes.	Project rolled over to 2017/18 FY	Budget R9 000 000.00 Expenditure R 432 464,24	Appointment and letter Appointment letters.

OPERATIONALS AND MAINTENANCE

Key Performance Area (KPA) 2:		Basic Services & Infrastructure Planning											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning, and support Improving access to basic services Implementation of the community works programme 											
Strategic objectives		Provision of sustainable infrastructure and basic services											
No.	Priority area (IDP)	Project Name	Key performance Indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance Achievement	2016/17 Actual achievement Achieved or not Achieved	New or Old Indicator	Challenges	Corrective measures	Budget Expenditure	Means of verification
OPERATIONS AND MAINTENANCE													
	city	n of Ga Phasha High Mast Light	High Mast lights installed	mast lights constructed	mast light installed			Achieved		ment plan not adhered to.	Rolled-over to 2017/18	R500,000 Expenditure R 0	Letter, physical verification
20	Electricity	Purchase of Electrical bakkie	Number of Electrical Bakkies purchased	New indicator	1 electrical bakkie purchased	Project discontinued	N/A	Not achieved	New	Insufficient budget	Project deferred to 2017/18	Budget R0 Expenditure R 0	Budget adjustment

Key Performance Area (KPA) 2:		Basic Services & Infrastructure Planning											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning, and support Improving access to basic services Implementation of the community works programme 											
Strategic objectives		Provision of sustainable infrastructure and basic services											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance Achievement	2016/17 Actual achievement Achieved or not Achieved	New or Old Indicator	Challenges	Corrective measures	Budget Expenditure	Means of verification
			as specified in the risk register	resolved)	specified in the register			within the timeframe as specified in the register		for the installation of check meters.	2017/18 financial year. Implementation of the assets management plan in 2017/18 financial year.		

1.2. DEPARTMENT: COMMUNITY SERVICES

Spatial Rationale and Basic Service Delivery													
Outcome 9:													
Outputs :													
Strategic objectives													
No	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
ENVIRONMENTAL MANAGEMENT													
24	Social amenities	Renovation of tennis courts	Mogwadi tennis courts renovated	New indicator	Mogwadi tennis court renovated	None	N/A	Achieved	New	None	None	Budget R200, 000 Expenditure R181.289.64	Advert, Order, Physical verification
25	Risk Management	Risk management	Percentage of identified risks resolved within timeframe as	33% of risks resolved(1 operational risk resolved)	100% of risks resolved within the timeframe	None	N/A	Achieved	Old	None	None	Opex	Strategic Risk register 2017/18

5.4. DEPARTMENT: LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives													
To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management													
N o.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement Achieved or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
SPATIAL PLANNING													
26	Spatial planning	Development of precinct plan in Mogwadi	Number of precinct plan developed	New indicator	One (1) precinct plan developed	Draft status quo report developed	N/A	Not achieved The Project was discontinued.	New	Insufficient budget	Deferred for 2018/19 FY	Budget R O Expenditure R O	Budget adjustment

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
N o.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement Achieved or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
	planning	building plans for existing municipal properties	municipal building plans compiled	indicator	building plans			8 building plans compiled				R 350 000.00 Expenditure R 311 135.00	letter, adverts, order and building plans
29	Spatial planning	Subdivision and Rezoning of sites for Magistrate Court	Number of sites subdivided	New indicator	Submission of draft plans	None	N/A	Achieved Subdivided one (1) site for the construction of Magistrate Court	New	None	None	Budget R 150 000.00	Approval letter, adverts, order and subdivision diagram

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement Achieved or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
31	Spatial planning	Rezoning of Erven 493, 180 Mogwadi and 25 Morebeng	Number of erven rezoned	New indicator	Rezoning of 3 (three) municipal erven	None	N/A	Achieved Rezoning of 3 (three) municipal erven	New	None	None	Budget Expenditure R 135 000	Approval letter, adverts, appointment letters and rezoning application documents
LOCAL ECONOMIC DEVELOPMENT													
32	Local Economic Development	Youth in agriculture programme	Number of graduates capacitated in agricultural programmes	8 Graduate appointments and capacitated	5 graduates capacitated in agricultural programmes	6 graduates capacitated in agricultural	Achieved	Achieved 6 graduates capacitated in	Old	None	None	Budget R400 000.00 Expenditure	Contracts with Graduates, SLA with Farmers

Chapter 3

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
34	Local	Career	Number of	1x Career	To hold 1x	None	Achieved	Not Achieved	Old	Delays	The project	Budget	SLA with
			social labour plans		social labour plans and investor conference			Investor conference coordinated and hosted. No partnership agreements on social labour plans and investor conferences were signed.		ent from identified partners to sign agreements with the municipality. Partners indicated challenge of outdated LED strategy	in 2017/18FY. This will include projects, programmes and investment opportunities	Expenditure R275 200.00	ent, 1 SLA, and Reviewed TOR and concept document and Report on Conference.

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> Actions supportive of the human settlement outcome Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
35	Local Economic Development	Capacity building on SMME	Number of SMME's trained	20 SMME's capacitated	To capacitate 20 SMME's	None	Achieved	Achieved	Old	None	None	Budget R200 000.00 Expenditure R157 004.00	SLA with service provider, review TOR and concept document and training report
INTEGRATED DEVELOPMENT PLANNING													
36	IDP	Review of 2016/2017	Reviewed 2016/2017	One Reviewed	Adopted and printed	None	Achieved	Achieved	Old	None	None	Budget R430,000.	Invites and

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
38	IDP	Compilation of Annual Report	Approved 2015/2016 Annual Performance report and Annual Report	Approved 2014/2015 Annual Performance report and Annual	2015/2016 Annual Performance report and Annual Report approved	None	Achieved	Achieved	Old	None	None	Budget R200,000 Expenditure	Invites and attendance register, Annual performance report,
		on the IDP and SDBIP review	sessions held	sessions held				4 strategic sessions held				Expenditure R197 500	ence register.

Chapter 3

Key Performance Area (KPA) 1:		Spatial Rationale											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs :		<ul style="list-style-type: none"> • Actions supportive of the human settlement outcome • Implement a differentiated approach to municipal financing, planning, and support 											
Strategic objectives		To Promote Orderly Development Through Integrated Spatial Planning And Land Use Management											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 actual achievement Achieved or Not Achieved	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
40	IDP Unit	Coordination of IDP Representative Forum meetings	Number of IDP Representative Forum coordinated	2015/16 IDP Representative Forum in place	4 X 2016/17 IDP Representative Forum meetings coordinate	03 X 2016/17 IDP Representative Forum meetings coordinate	Achieved	Achieved 4 X 2016/17 IDP Representative Forum meetings coordinate	Old	None	None	Budget R74,000 Expenditure R69,300	Invites and attendance register
41	Risk Management	Risk Management	Percentage of identified risks resolved	0% of risks resolved	100% of risks resolved	75% of risks resolved	Not achieved	Not achieved	Old	Awaiting the promulgation	Spatial Planning By-law and LED	Opex	Updated risk register

5.5 DEPARTMENT: FINANCE

Key Performance Area (KPA) 4:		Municipal Financial Viability and Management											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 1 & 7:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 											
Strategic Objective		To ensure sound and stable financial management											
No	Priority Area (ID P)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
BUDGET & TREASURY													
42	Financial management	Configuration of Accounts in line with SCOA	Functional Financial system compliant with MSCOA	New indicator	Approved functional reporting system	None	N/A	Achieved	New	None	None	Budget R 1 447 000	Closure report
								Approved functional reporting				Expenditure	

Key Performance Area (KPA) 4:		Municipal Financial Viability and Management											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 1 & 7:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 											
Strategic Objective		To ensure sound and stable financial management											
No	Priority Area (ID P)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
45	Financial management	Asset management plan	Annual assets management plan compiled	New indicator	One (1) annual asset management plan compiled	None	N/A	Not Achieved	New	Municipality had no base (existing data) for maintenance plan, the service		Budget R900,000 Expenditure R	Appointment Letter
			of the contractor for 2016/17 reports on assets revaluation compiled	nt and appointment of the contractor for 2015/16 reports on assets revaluation compiled	appointment of the contractor for 2016/17 reports on assets revaluation compiled			Specification, advertisement and appointment of the contractor for 2016/17 reports on assets revaluation compiled				Expenditure R 345 876.67	Report

Key Performance Area (KPA) 4:		Municipal Financial Viability and Management											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 1 & 7:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 											
Strategic Objective		To ensure sound and stable financial management											
No	Priority Area (ID P)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
46	Financial management	Enterprise Resource Management & Planning System (ERMP) (System improvement)	Customized Functional integrated system	New indicator	Customized Functional integrated system	None	N/A	Achieved	New	None	None	Budget R 1 447 000	
47	Financial management	Data cleansing (MSCOA) system improvement	Number of data cleansing report compliant with MSCOA	New indicator	One (1) data cleansing report compliant with MSCOA	None	N/A	Achieved	New	None	None	Budget R 712 000	Debt verification report, Business account verification report, updated GRAP compliant

Key Performance Area (KPA) 4:		Municipal Financial Viability and Management											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 1 & 7:		<ul style="list-style-type: none"> Implement a differentiated approach to municipal financing, planning and support Administrative and financial capability 											
Strategic Objective		To ensure sound and stable financial management											
No	Priority Area (ID AP)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
50	Financial management	Roll	General valuation roll compiled	roll	updating the general valuation roll	None	Achieved	Maintenance and updating the general valuation roll	Old	None	None	Expenditure R68 400.00	supplementary valuation roll.
			General valuation roll compiled	General valuation roll compiled	One (1) General valuation roll compiled	None	Achieved	Achieved	One General valuation roll compiled	None	None	Budget R 800 000.00 Expenditure R 723 398.40	General Valuation Roll

5.6. DEPARTMENT: MUNICIPAL MANAGERS OFFICE

Key Performance Area (KPA) 5:													
Good Governance and Public Participation													
Outcome 9:													
Responsive, Accountable, Effective and Efficient Local Government System													
Outputs 5:													
Deepen democracy through a refined ward committee model													
Strategic Objective													
Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
MAYOR'S OFFICE													
52	Special Focus	HIV/AIDS	Number of HIV/AIDS Forum held	4 x HIV/AIDS Forums held	To hold 4 x Forums	4 x HIV forum	Achieved	Achieved	Old	None	None	Budget R466 157.00	Attendance Register, invitation
								4X HIV forums held				Expenditure	

Key Performance Area (KPA) 5:		Good Governance and Public Participation											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 5:		Deepen democracy through a refined ward committee model											
Strategic Objective		Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
54	Special Focus	Youth	Number of youth forums meetings	New indicator	2 x Youth Council events to be held	1 x Youth EXPO event	Achieved	Not achieved	Old	No enough human capital	Prioritize recruitment of staff in 2017/18 FY		Attendance Register, invitation
			Number of events to be held	1 youth day event held	2x events held	1 x youth day celeb	Achieved	Achieved	Old	None	None		Attendance Register, invitation

Good Governance and Public Participation													
Responsive, Accountable, Effective and Efficient Local Government System													
Deepen democracy through a refined ward committee model													
Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
57	Special Focus	Disability	Number of Disability forums meetings	New indicator	7 x Disability forum meeting	None	N/A	Not achieved	New	No enough human capital	Prioritize recruitment of staff in 2017/18 FY		Attendance Register, invitation
58	Special Focus	Disability	Number of disability events held	New indicator	3 x disability awareness events	None	N/A	Not achieved	New	No enough human capital	prioritize recruitment of staff in 2017/18 FY		Attendance Register, invitation

Key Performance Area (KPA) 5:		Good Governance and Public Participation											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 5:		Deepen democracy through a refined ward committee model											
Strategic Objective		Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
					held			unit to deal with SF issues					
61	Council support	Council or induction	Number of Councillor induction	New indicator	1 councillor induction held	None	N/A	Achieved 1 councillor induction held	New	None	None	Budget R 1,220,000	Attendance registers, Appointment letters
62	Council support	ward committee induction	Number of Ward committee induction session held	Ward committee induction held in	Ward committee induction	None	N/A	Achieved Ward committee	New	None	None	Expenditure R 1 168 536	Ward Committee Resolutions Appointment letter of

Key Performance Area (KPA) 5:										Good Governance and Public Participation									
Outcome 9:										Responsive, Accountable, Effective and Efficient Local Government System									
Outputs 5:										Deepen democracy through a refined ward committee model									
Strategic Objective										Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees									
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification						

LEGAL SERVICES													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/2017 annual target	Revised 2016/2017 annual targets	2015/16 Actual performance achieved	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget	Means of Verification
64	Legal advisory services	Legal advisory services	Percentage of documented legal advisory services	Limited documentation on legal advisory services	100% of legal advisory services provided	None	Achieved	Achieved 100% of legal advises provided &	Old	None	None	Opex	List of Legal Advises and Support Services

Key Performance Area (KPA) 5:		Good Governance and Public Participation											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 5:		Deepen democracy through a refined ward committee model											
Strategic Objective		Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
67	Legal advisory services	Review of by laws	as per instruction	ed and drafted as per instruction	develo ped and drafted as per instruction	None	Not achieved	100% of contracts developed and drafted as per instruction	New	Resignatio n of the Legal Advisor	Deferred to 2017/18 financial year	Budget R800,000 Expenditur e R 0	Copied of reviewed by-laws

Good Governance and Public Participation													
Responsive, Accountable, Effective and Efficient Local Government System													
Deepen democracy through a refined ward committee model													
Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
68	Communications	Printing and Publication	Number of diaries and calendars printed	300 diaries and 1000 calendars printed	300 diaries and 500 calendars printed	None	Achieved	Achieved 300 diaries and 500 calendars printed	Old	None	None	Budget R 850,000 Expenditure R 663 225	Invoice and orders
69	Communications	Printing and Publication	Number of Municipal Newsletters published	5000 newsletters published	10000 newsletters published	None	Achieved	Not achieved Service provider was appointed to do two editions of the	Old	Delayed delivery from appointed service provider	Appoint new service provider		Invoices, orders and printed newsletters

Good Governance and Public Participation													
Responsive, Accountable, Effective and Efficient Local Government System													
Deepen democracy through a refined ward committee model													
Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
70		Events Management Equipment	Number of Equipment and material purchased		Procurement of podium and ten (10) municipal branding	None	Achieved	Achieved Procurement of podium and ten (10) municipal branding	Old	None	None	Budget R100 000 Expenditure R 85,438.60	Invoice and orders
71	Communications	Events Management Equipment	Number of Advertising Trailers procured	New indicator	Advertising trailer procured	None	Achieved	Achieved Advertising trailer	New	None	None	Budget R100 000 Expenditure R 89 858.00	Invoice and orders

Key Performance Area (KPA) 5:		Good Governance and Public Participation											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 5:		Deepen democracy through a refined ward committee model											
Strategic Objective		Provide an accountable and transparent municipality through sustained public participation, coordination of administration and council committees											
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Revised 2016/17 Annual target	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of Verification
					publicized								

Key Performance Area (KPA) 5:		Good Governance and Public Participation												
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System												
Outputs 5:		Deepen democracy through a refined ward committee model												
Strategic Objective		<ul style="list-style-type: none"> To protect the municipality from potential risk. To ensure reduction of fraud and corruption within the municipality To protect the municipal properties and employees against potential threats. 												
74	Internal Audit	Performance audits	Number of performance reports submitted to Council.	4 Performance audit report submitted to Council.	None	Achieved	Achieved	4 Performance audit report submitted to Council.	None	Old	None	None	Opex	Quarterly Performance audit reports
75	Internal Audit	Audit Committee meeting	Number of Audit Committees coordinated	4 Audit Committee meetings coordinated	None	Achieved	Achieved	4 Audit Committee meetings coordinated	None	Old	None	None	Opex	Audit Committee reports, Minutes, attendance registers

Key Performance Area (KPA) 5:		Good Governance and Public Participation																					
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System																					
Outputs 5:		Deepen democracy through a refined ward committee model																					
Strategic Objective		<ul style="list-style-type: none"> To protect the municipality from potential risk. To ensure reduction of fraud and corruption within the municipality To protect the municipal properties and employees against potential threats. 																					
78	Risk Management	ent Committee meeting	Committee meetings coordinated.	Committee meeting coordinated.	ment Committee meetings coordinated.	ent Committee meetings coordinated.	Project discontinued	Achieved	Project discontinued	4 of Risk assessment reports compiled	4 Risk assessment reports	Number of Risk assessment reports compiled	Risk Management Committee meeting	Risk Management	4	Risk Management Committee meetings coordinated	Project discontinued	Old	Insufficient staff capacity to implement Risk Management	Prioritize recruitment in the financial year 2017/18	Opex	manage nt reports, Minutes, Attendance register	Council Resolution

Key Performance Area (KPA) 5:		Good Governance and Public Participation											
Outcome 9:		Responsive, Accountable, Effective and Efficient Local Government System											
Outputs 5:		Deepen democracy through a refined ward committee model											
Strategic Objective		<ul style="list-style-type: none"> To protect the municipality from potential risk. To ensure reduction of fraud and corruption within the municipality To protect the municipal properties and employees against potential threats. 											
81	Risk management	Risk management	Number of risk management awareness campaigns conducted	New indicator	Two risk management awareness campaigns conducted	None	Not achieved	risk register compiled	New	Risk officer not appointed. Risk awareness conducted through placing of anti-fraud corruption stickers on municipal vehicles.	Risk awareness prioritized in the risk management implementation plan 2017/18	Opex	Risk management awareness report, attendance register

Chapter 3

Key Performance Area (KPA) 5: Good Governance and Public Participation													
Outcome 9: Responsive, Accountable, Effective and Efficient Local Government System													
Outputs 5: Deepen democracy through a refined ward committee model													
Strategic Objective													
<ul style="list-style-type: none"> To protect the municipality from potential risk. To ensure reduction of fraud and corruption within the municipality To protect the municipal properties and employees against potential threats. 													
No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/2017 annual target	Revised 2016/2017 annual targets	2015/16 Actual performance achievement	2016/17 Actual achievement	New or Old Indicator	Challenges	Corrective Measure	Budget Expenditure	Means of verification
84	Performance Management	Annual performance report	Number of SDBIP Quarterly Performance reports submitted to COGHSTA	Four (4) quarterly performance reports	Four (4) SDBIP Quarterly performance reports compiled	None	Achieved	Achieved	Old	None	None	Opex	4 SDBIP reports
85	Risk Management	Percentage of	0% of risk resolved	100% of risks	100% of risks	None	N/A	Not achieved	New	Budgetary constraint	Budget provision	Opex	Strategic Risk

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The Municipality is facing or experiencing a massive challenge with regards to water services, this is due to the fact that Molemole Municipality is not a water service authority nor provider we rely mainly on Capricorn District Municipality (CDM) to assist in addressing such challenges.

T 3.1.0

3.2 WASTE WATER (SANITATION) PROVISION

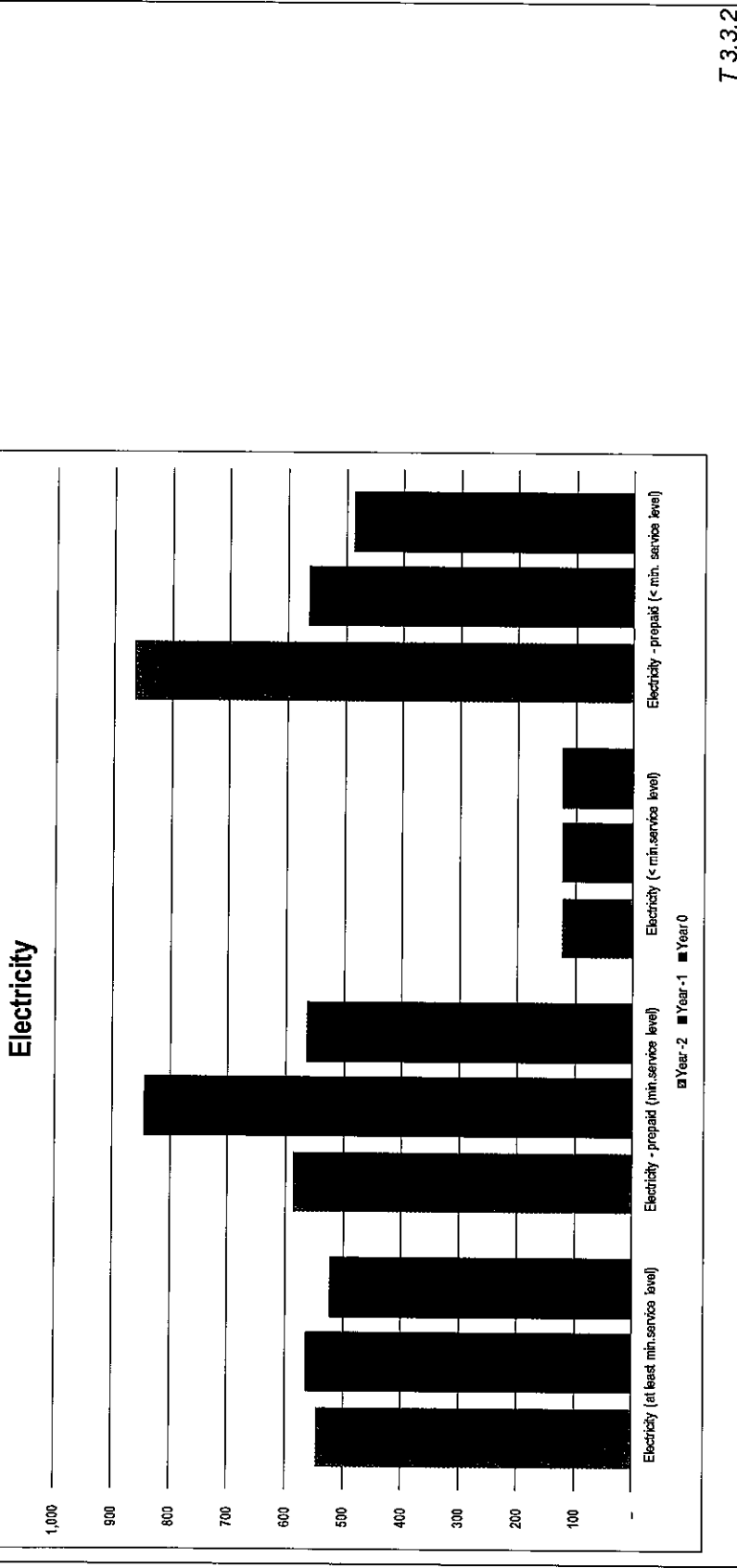
INTRODUCTION TO SANITATION PROVISION

The Municipality is facing or experiencing a massive challenge with regards to provision of sanitation services, this is due to the fact that Molemole Municipality is not authorized to provide sanitation services, we rely mainly on Capricorn District Municipality (CDM) to assist in addressing such challenges.

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The performance of Sanitation services in general is not appealing to our community, due to high level of challenges faced by the District Municipality in providing such services.

Molemole Municipality is failing to meet performance target as they are not responsible to provide water services.



T 3.3.2

Households - Electricity Service Delivery Levels below the minimum							Households		
Description	Year -3		Year -2		Year -1		Year 0		
	Actual No.		Actual No.		Actual No.		Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements									
Total households	100,000		100,000		100,000		100,000	100,000	100,000
Households below minimum service level	25,000		25,000		25,000		25,000	25,000	25,000
Proportion of households below minimum service level	25%		25%		25%		25%	25%	25%
Informal Settlements									
Total households	100,000		100,000		100,000		100,000	100,000	100,000
Households below minimum service level	25,000		25,000		25,000		25,000	25,000	25,000
Proportion of households below minimum service level	25%		25%		25%		25%	25%	25%
									T 3.3.4

Chapter 3

Financial Performance 2016/17: Electricity Services						
Details	2016/16		2016/17		Variance to Budget	
	Budget	Actual	Budget	Actual		
Total operational revenue (excluding tariffs)	6,422,523		22,680,630	19,146,675	20,052,481	905,806
Expenditure						
Employees	1,947,862		2,581,422	2,122,323	2,581,422	459,099
Repairs and Maintenance	498,286		727,808	459,397	791,808	311,411
Other	0		1,106,000	741,323	847,323	106,000
Total Operational Expenditure	2,446,148		4,415,230	3,323,043	4,220,553	897,510
Net Operational (service) expenditure	-3,976,375		-18,265,400	-15,823,632	-15,831,928	-8,296

Capital Expenditure 2016/17: Electricity Services						
Capital Expenditure	2016/16		2016/17		Variance from original budget	Total project value
	Budget	Actual	Budget	Actual		
Total all						
Electrification: Cluster 3 Extensions	11,955,051	7,401,000	3,311,182		4,089,818	

In rural areas, refuse is mostly buried, dumped or burnt. Illegal dumping is currently a course for concern in most areas due to high volumes of waste generated within the community. A need for rural waste management has been identified and the municipality has commenced with bulk refuse collection services at the Botlokwa Plaza in Ward seven and at the Capricorn FET College Ramokgopa Campus in ward 3. Plans are in place to gradually expand rural waste management services to other wards in the long term.

Environmental awareness educational campaigns were conducted at identified schools and within the community through the EPWP Youth Jobs in Waste program driven by the municipality. Ward councilors also engaged in waste management initiatives through volunteer recyclers at villages. Lack of funds pose challenges in implementing recycling, reuse and reduce practices but engagements for sourcing of funds from government and private sector are underway.

Households - Solid Waste Service Delivery Levels below the minimum									
Description	Year -3		Year -2		Year -1		Year 0		Households
	Actual No.		Actual No.		Actual No.		Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements									
Total households	100,000		100,000		100,000		100,000	100,000	100,000
Households below minimum service level	25,000		25,000		25,000		25,000	25,000	25,000
Proportion of households below minimum service level	25%		25%		25%		25%	25%	25%
Informal Settlements									
Total households	100,000		100,000		100,000		100,000	100,000	100,000
Households below minimum service level	25,000		25,000		25,000		25,000	25,000	25,000
Proportion of households below minimum service level	25%		25%		25%		25%	25%	25%
									T 3,4,3

Chapter 3

Employees: Solid Waste Magement Services							
Job Level	Year-1		Year 0		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Employees	Posts	Employees	Posts			
	No.	No.	No.	No.	No.	No.	%
0-3	1	1	1	1	0	0	0%
4-6	3	3	3	3	0	0	0%
7-9	6	8	8	6	2	2	25%
10-12	7	15	15	7	8	8	53%
13-15	9	15	15	9	6	6	40%
16-18	11	21	21	11	10	10	48%
19-20	18	30	30	18	12	12	40%
Total	55	93	93	55	38	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.5

Financial Performance Year 0: Solid Waste Management Services						R'000
Details	Year -1	Year 0			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.4.7						

Financial Performance Year 0: Waste Disposal and Other Services						R'000
Details	Year -1	Year 0			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.4.8						

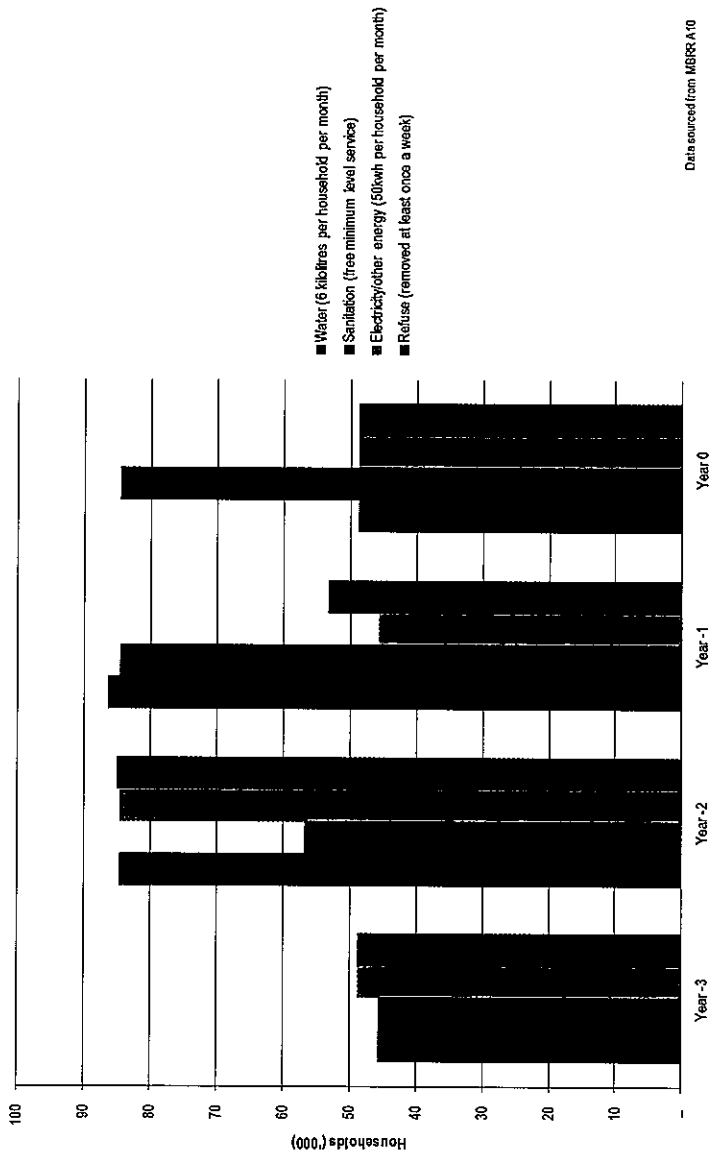
Since completion of the verification process towards normalization of disparities which resulted from improper allocation of RDP units in 2012, the municipality is still awaiting awarding of title deeds by the Deeds Office. Council approved that after completion of this process at Mogwadi, the same exercise should be extended to Nthabiseng and Capricorn Park. The municipality does not have any informal settlement due to its rural nature.

HOUSING CHALLENGES.

- Accumulative backlogs.
- Incomplete RDP housing units across the municipality.
- Poor workmanship and non-compliance to NHBC standards on some of the RDP units constructed previously.

Job Level	Employees: Housing Services						
	Year -1		Year 0				
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %		
0-3	1	1	1	0	0%		
4-6	3	3	3	0	0%		
7-9	6	8	6	2	25%		
10-12	7	15	7	8	53%		
13-15	9	15	9	6	40%		

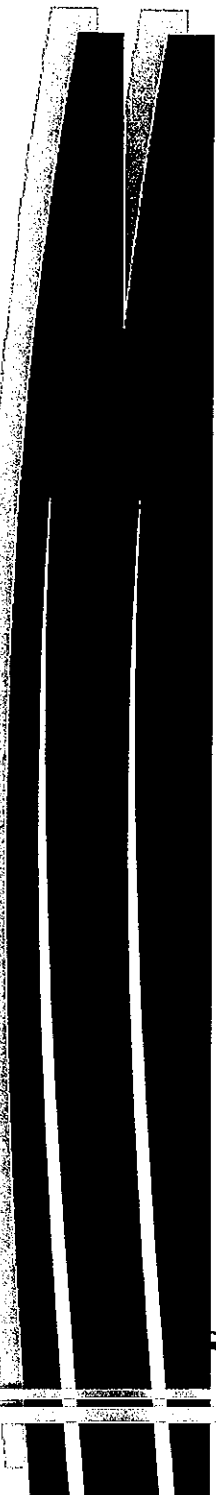
Free Basic Household Services



T 3.6.2

Chapter 3

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Service Indicators	Year 1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	(vi)	*Current Year (vii)	(viii)	*Current Year (ix)	(x)
(i) Provision of alternative support to low income households that do not receive all Free Basic Services	(ii) Low income households (LlHs) who do not receive all the free basic services but do receive alternative support (Total number of LlHs not in receipt of free basic services)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)	xxxx LlHs receiving support (out of xxx LlHs in total)
Service Objective xxx									
Note: This statement should include to move then the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round. 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 3 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									



Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	145	15	10	100	
Year -1	160	20	12	120	
Year 0	166	25	14	140	
					T 3.7.2

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	85	10	23	18	100	
Year -1	98	14	25	15	120	
Year 0	114	20	30	25	140	
						T 3.7.3

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	450000	1700000	250000	1950000	1050000	400000	
Year -1	475000	1800000	260000	2020000	1220000	500000	
Year 0	490000	1900000	280000	2300000	1300000	550000	
							T 3.7.4

Financial Performance Year 0: Road Services

Details	Year -1		Year 0		Variance to Budget	R'000	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	120	125	100	95	-32%		
Expenditure:							
Employees	125	244	250	248	2%		
Repairs and Maintenance	25	244	250	248	2%		
Other	45	244	250	248	2%		
Total Operational Expenditure	195	732	750	744	2%		
Net Operational Expenditure	75	607	650	649	6%		
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.							T 3.7.8

The Limpopo's road network within the District consist of National, Provincial and District roads. The national roads are managed by SANRAL, Provincial and District road network is managed by Road Agency Limpopo and the Provincial Department of Public Works, Roads and Infrastructure. The municipality has Law Enforcement Officers and through concerted law enforcement and educational campaigns, we strive for the reduction of fatal crashes on our municipal roads especially along the N1 from Polokwane to Musina. Operating from the limited budget it is difficult for the municipality to plan for a 24 hours' law enforcement deployment on critical routes and hotspots on the road.

The Municipality does not offer public transport services to the community, however, there are two taxi associations that operates within our municipal jurisdiction, namely: Machaka Ramokgopa Makgato (Marama) and Bochum Taxi Associations. The municipality constructed five taxi ranks - Mogwadi, Marama, Morebeng, Eisleben Cross and Mohodi - Maponto Taxi rank to provide the community with efficient public transport waiting facilities. Various bus companies operate within the municipality. There are only four subsidized bus companies within the municipality namely: Great North transport, Kopano Bus services, Bahwaduba Bus services and Madodi Bus services. Molemole residents mostly rely on mini bus taxis and busses to commute within and outside the municipal boundaries. There are three existing and functional scholar patrol points established within the municipality.

The railway line that runs between Musina and Johannesburg passes in our municipality with Morebeng as one of the stations. There is no landing strip in the municipal area. Apart from the road network, there is a railway line servicing the Molemole LM. This line links Polokwane to Makhado and other towns in the north and south via Molemole LM in a north-south direction. Currently this line only provides a freight service and long distance passenger service. There is a need to unearth economic activities emanating from this railway line. Being a municipality that its economy is mainly on agriculture, the railway could serve as a link to transport fruit and vegetables to the market.

POSSIBLE CAUSES OF ACCIDENTS.

- Pedestrians;
- Fatigue;
- Un-safe Overtaking;
- Reckless driving;
- Over speeding;
- Use of cell phone while driving;
- Drunken driving and
- Road conditions (permanent pot holes)

CHALLENGES PERTAINING TO PUBLIC TRANSPORT.

- Lack of efficient public transport accessibility due to poor road infrastructure;
- High taxi fare tariffs in areas where road infrastructure is poor;
- Increased motor vehicle ownership and reluctance to use public transport;
- None compliance with transport permits to public transport owners, especially the bus and taxi industry;

Chapter 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

T 3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140
T 3.9.2				

Cost of Construction/Maintenance			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
Year -2	1,700,000	600,000	280,000
Year -1	1,800,000	700,000	330,000
Year 0	1,900,000	900,000	420,000
T 3.9.3			

Electricity Networks	492,215	192,500	0	192,500
Replacement of old electricity	1,700,000	500,000	419,270	80,730
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)				

Capital Expenditure 2016/17: Road Services & Storm Water					
Capital Project	Budget	Actual Expenditure	Budget	Actual Expenditure	Total Project Value
Construction of change rooms	564,790	454,258	454,258	0	
Mohodi low level bridge	500,000	500,000	0	500,000	
Mogwadi internal streets	23,671,231	23,671,231	20,367,189	3,304,042	
Mohodi to maponto gravel to tar road pha	9,799,853	9,799,853	5,309,593	4,490,260	
Ramokgopa Esleben Gravel to tar	17,113,747	17,113,747	0	17,113,747	
Equipment	0	0	109,499	-109,499	
TLB	1,500,000	1,500,000	1,447,000	53,000	
Computer Hardware and Software	93,000	119,000	87,818	31,182	
Office furniture	51,770	71,825	43,765	28,060	
					73,99

Overview of neighborhoods within Molemole Municipality	
Sub-municipalities	Population
Towns	
Morebeng	1004
Mogwadi	4045
Sub-Total	5049
Townships	
Nthabiseng	2679
Capricorn Park	1366
Sub-total	4045
Rural Settlements	
Madikana	3668
Mohodi	13125
Ga-Maponto	4530
Molemole NU	6545
Westphalia	1026
Ga Moleele	596
Moshasha	77
Schulenburg	352
Koekoek	421
Ga-Mokwele	174
Ga-Mabotha	113

Overview of neighborhoods within Molemole Municipality	
Sub-municipalities	Population
Towns	
Shashe	382

Molemole Local Municipality (MLM) is located in the Capricorn District Municipality (CDM) in the Limpopo Province. The neighboring local municipalities forming the CDM are Blouberg, Aganang, Lepelle-Nkumpi and Polokwane. The Municipality has two towns known as Mogwadi (formerly known as Dendron) which is the administrative and economic capital of the Municipality and Morebeng. The two towns were classified as District Growth Points by Capricorn District Municipality. The municipality is institutionalizing initiatives to expand the two towns spatially and economically. These include fast tracking funds to install bulk infrastructure in the newly demarcated sites in Morebeng and Mogwadi

Molemole Spatial Development Framework, Molemole Land Use Scheme and building control by-laws contribute to effective spatial development and land use planning in the area of municipal jurisdiction (villages and town settlements). The implementation of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) will allow for greater number of land development applications to be considered. This would be an improvement on the current scenario where many applications are lodged internally of the proclamation R188.

The municipality is investing in the creation of an effective Geographic Information System (GIS) unit and with reliable database in order to sustain the priority of providing reliable data and mapping information to stakeholders and investors. The availability of this information plays a vital role in informing the municipal stakeholders and investors of the location of infrastructure investments.

Applications for Land Use Development					
Detail	formalizations of Townships		Rezoning		Building plans
	2015/2016	2016/2017	2015/2016	2016/2017	
Planning application received	0	0	8	5	23
					36

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0

16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Chapter 3

Employees: Planning Services						
Job Level	Year: 1		Year: 0		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	No.	%
	No.	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0	0%
4 - 6	3	3	3	0	0	0%
7 - 9	6	8	6	2	25%	53%
10 - 12	7	15	7	8	40%	48%
13 - 15	9	15	9	6	10	40%
16 - 18	11	21	11	10	12	40%
19 - 20	18	30	18	12	38	41%
Total	55	93	55	38		

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.10.4

Financial Performance 2016/17: Economic Development and Planning Services					
Details	2016/16		2016/17		Variance to budget
	Actual	Original budget	Agreement budget	Actual	
Total operational revenue (excluding tariffs)	349,626	10,742,201	10,743,754	595,550	10,148,204
Expenditure:					
Employees	2,936,761	3,565,834	3,565,914	3,292,146	273,768

Capital Expenditure 2016/17: Economic Development and Planning Services					
R'000					
Capital Project	2016/17 Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Rezoning	285,000	0	0	0	0

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The municipality through the Local Economic Development Department play a huge role in ensuring that it creates a conducive environment for job creation; this is mainly achieved through active participation of community members tapping in the key economic sectors within the main stream economy.

Coordination and exploring of all the investment opportunities has become fundamental within the municipality in recent years, Molemole Municipality takes pride in sharing that it has been approached by various industrial and property development organizations that have aspiration to invest in the municipality. The majority of these investments are long-term projects, there is a need to align these business opportunities with the municipal objectives of instilling value into the local communities. the municipality has therefore initiated the process of undertaking investment facilitation, wherein, the potential investors and developers are being engaged, with the main objectives of understanding the progress of the project or opportunity and to understand opportunities for local economic development, which includes a broader transformation and development opportunities such as; job creation, local business opportunities, enterprise development, community equity participation, skills development and social and labour programmes. Programmes such as youth in agriculture which is being driven by

Chapter 3

	No.	No.	No.
Agric, forestry and fishing	20,000	25,000	30,000
Mining and quarrying	400,000	435,000	372,000
Manufacturing	320,000	300,000	270,000
Wholesale and retail trade	190,000	200,000	210,000
Finance, property, etc.	275,000	255,000	235,000
Govt, community and social services	300,000	310,000	320,000
Infrastructure services	400,000	430,000	450,000
Total	1905000	1955000	1887000

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in-year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2				
Year -1				

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0

	No.	No.	No.	No.	%
0-3	1	1	1	0	0%
4-6	3	3	3	0	0%
7-9	6	8	6	2	25%
10-12	7	15	7	8	53%
13-15	9	15	9	6	40%
16-18	11	21	11	10	48%
19-20	18	30	18	12	40%
Total	55	93	55	38	41%

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

LIBRARIES

The municipality has two functional libraries, one at Mogwadi and another one at Morebeng. For extension of services to schools, there are six mobile libraries at Rakgasema Pre-School in Eisleben, Kgwadu Primary School in Sekonye, Itshomeleng Primary School in Nthabiseng, Sefoloko High School in Mokomene, Mangwato Primary School in Mohodi and Seripa High School in Brussels. The Librarians visit these mobiles once a month for support and monitoring.

The municipality has a Service Level Agreement with the Department of Arts and Culture where issues pertaining to support from the department in terms of provision of personnel, equipment and maintenance of infrastructure are clearly outlined.

The department commenced with a R4,5 million multi year project for construction of the Ramokgopa Library during the financial year under review. The project was planned to commence in the 2015/2016 financial year but, has not yet started.

CEMETERIES

since the fence at one corner was cut for access into the amenity. The gate to the children's play area has been forced open and it currently broken as well. The Mogwadi Park is currently not in good a good state for utilization by the community. Plans are in place to repair the damages in order for the amenity to be fully functional for usage

PUBLIC TRANSPORT

Public transport forms a key part in the socio-economic development of our municipality. It also assists in providing communities with access to opportunities outside the local community. This is important to our Municipality as there are no opportunities for sustainable employment in most villages. The communities are mostly dependent on public transport to reach health care facilities, schools and other social facilities. The Eisleben Cross Taxi Rank finally came into being during the financial year under review. This amenity serves as a transfer public transport waiting facility for commuters travelling in the vicinities of wards one, two and three.

There are currently four taxi ranks in Molemole - Mogwadi, Marama, Morebeng and Eisleben Cross. Various bus companies operate within the municipality. Molemole residents mostly rely on mini bus taxis and busses to commute within and outside the municipal boundaries.

The railway line that runs between Musina and Johannesburg passes in our municipality with Morebeng as one of the stations. There is no landing strip in the municipal area. The Molemole Transport Forum has been launched to address issues pertaining to transport and its logistics.

The Municipality does not have financial muscles to provide public transport services to the community. However, there are two taxi associations that operate within our area of jurisdiction, namely: Machaka Ramokgopa Makgato (Marama) and Bochum Taxi Associations.

CDM's Integrated Transport Plan (2007, ITP) prioritized the following projects for tarring over a short to medium term period:

- Surfacing of Road D2037 linking Mogwadi to Bandelierkop;

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0

- None compliance with transport permits to public transport owners, especially the bus and taxi industries.
- Lack of grants to subsidize the taxi industry for purchasing of new vehicles.

Employees	15,374,298	17,999,403	18,143,785	17,131,651	1,012,134
Repairs & Maintenance	170,541	1,120,000	814,000	522,722	291,278
Other	1,225,964	1,927,653	1,970,253	1,861,729	108,524
Total operational expenditure	16,770,803	21,047,056	20,928,038	10,488,433	10,439,605

Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
	R' 000				
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					
T 3.12.6					

6M3 Bulk Refuse Containers	300,000	300,000	260,526	39,474
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3.13 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

COMMENT ON THE PERFORMANCE OF LIBRARIES & COMMUNITY FACILITIES

The municipality intends to build more community halls/crèches as per approved IDP. The two libraries are well maintained. The library policy is in place and is reviewed on a yearly basis.

The Municipality services and maintains two cemeteries at Mogwadi and Morebeng. The two cemeteries were fenced in the financial year under review. Currently the municipality does not have any crematoriums.

SERVICE STATISTICS FOR CEMETORIES

The municipality services and maintains two cemeteries at Mogwadi and Morebeng. The two cemeteries were fenced in the 2011/2012 financial year. Currently the municipality does not have any crematoriums.

To ensure compliance with relevant environmental legislation, the 2 cemeteries at Mogwadi and Morebeng have been refurbished. The Waste and Environmental Management also provides for services of digging of graves as required by residents. The municipality does not have provision for crematorium services.

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Issues pertaining to air quality are functions of Capricorn District Municipality. Air quality management plan is under review by Capricorn District Municipality. The plan covers aspects of:

- o Health impacts of key atmospheric pollutants
- o Meteorological review
- o Ambient air quality control and management
- o Source identification and emission quantification
- o Air quality management
- o Emission reduction strategies and implementation

Chapter 3

COMPONENT F: HEALTH

3.17 CLINICS

The function is a key competency for the Department of Health and Social Welfare

3.18 AMBULANCE SERVICES

The function is a key competency for the Department of Health and Social Welfare

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

The function is a key competency for the Department of Health and Social Welfare

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sports and Recreation are key competencies of the Department of Sports, Arts and Culture. However, the municipality has the responsibility of coordinating sports within its community.

The availability of the Ramokgopa Stadium in Molemole East (what about Mohodi Sports Centre, Tennis Court and swimming pool in Mogwadi. Is it not important to give an expression about their status and future plans even though not functional at present) accords both the youth and the community opportunity to engage in sporting and other activities.

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The non-functionality of the Molemole Sports and Recreation Council is impacting negatively on the general performance of this unit. There is a need for proper coordination between the Municipality and sporting federations. The Municipality has participated in almost all Provincial games during the year under re

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Employee Time Distribution (Council)						
Job level	2009/10 Councilors No.	2010/11 Roles (No.)	Councillors No.	Vacancies (filling councilors) No.	Vacancies (as a % of total posts) %	
0-3	27	27	27	0	0	
4-6	-	-	-	-	-	
7-9	-	-	-	-	-	
10-12	-	-	-	-	-	

Employees: Human Resource Services

Job Level	Year -1		Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Financial Performance 2017/18: Corporate services R'000

Details	2017/18		2017/18		Variance to Budget	
	Actual	2017/18	Original Budget	Amended Budget		
Total operational revenue (excluding tariffs)	209,716		390,783	390,783	267,583	123,200
Expenditure:						
Employees	10,574,841		11,005,018	10,568,043	10,544,627	23,416
Repairs & Maintenance	858,999		771,185	1,091,185	1,127,874	-36,689
Other	12,774,940		12,151,529	12,202,266	10,663,239	1,539,027
Total operational expenditure	24,208,780		23,927,732	23,861,494	22,335,740	1,525,754

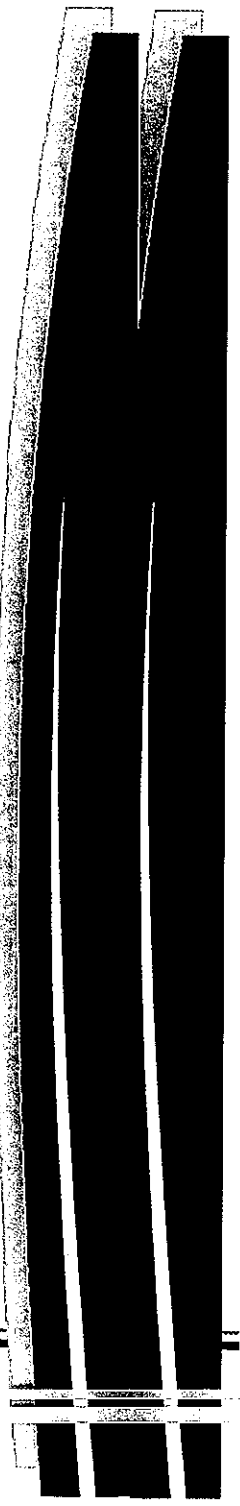
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3.25 FINANCIAL SERVICES

Debt Recovery							R' 000
Details of the types of account raised and recovered	Year-1		Billed in Year	Year 0		Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %		Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates							
Electricity - B							
Electricity - C							
Water - B							
Water - C							
Sanitation							
Refuse							
Other							
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							T 3.25.2

Chapter 3

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



Capital Expenditure Year 0: Financial Services						R' 000
Capital Projects	Year 0					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	260	328	378	31%		
Project A	100	130	128	22%		280
Project B	80	91	90	11%		150
Project C	45	50	80	44%		320
Project D	35	55	80	56%		90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						T 3.25.6

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Division has successfully facilitated implementation of various employee benefits, labour relations & discipline, Wellness, Occupational Health & Safety, Training & Development and organizational Development functions., filled three (3) posts within the municipality, successfully reviewed the 2015/2016 organizational structure, engaged in municipal-wide Occupational Health and Wellness session and took steps to ensure that municipal offices meet safety compliance even within limited budgetary constraints. The municipality rolled-out several training interventions in terms of Learnerships, Skills Programmes and Short courses leading to 100% implementation of the planned training programmes as per the approved workplace skills plan (WSP) although challenges are encountered in terms of attracting accredited Training

Total	27	27	27	-0	-0
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Employees: Human Resource Services						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Service Objectives Service Desk Indicators	2014/15		2015/16		2016/17	
	Target	Actual	Target	Actual	Target	Actual
Outline service targets	(i)	(ii)	(iii)	(iv)	(v)	(vi)
	(vii)	(viii)	(ix)	(x)	(xi)	(xii)

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Employees: Human Resource Services						
Job Level	Year-1		Year 0		Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	Employees No.	Posts No.	Employees No.	Posts No.		
0-3	1	1	1	0	0	0%
4-6	3	3	3	0	0	0%
7-9	6	8	6	2	25%	25%
10-12	7	15	7	8	53%	53%
13-15	9	15	9	6	40%	40%
16-18	11	21	11	10	48%	48%
19-20	18	30	18	12	40%	40%
Total	55	93	55	38	41%	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.26.4

Financial Performance Year 0: Human Resource Services						R'000
Details	Year-1	Year 0		Actual	Variance to Budget	
	Actual	Original Budget	Adjustment Budget			
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.26.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Chapter 3

Job Level	Employees: Property; Legal; Risk Management; and Procurement Services					
	Year-1		Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0-3	1	1	1	0	0%	
4-6	3	3	3	0	0%	
7-9	6	8	6	2	25%	
10-12	7	15	7	8	53%	
13-15	9	15	9	6	40%	
16-18	11	21	11	10	48%	
19-20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3,28.4

COMPONENT J: MISCELLANEOUS

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

No.	Strategic Focus Area (SFA)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Plan Number: Plan Name				Internal Audit Comment	Portfolio of Evidence
										Quarterly actual	Quarterly Target	Status (Achieved/Not Achieved)	Measures Taken to improve performance		

Note: Set out key plans as per performance scorecard e.g. Plan 1: Sustain and build natural environment, Plan 2: Economic Development and job creation, Plan 3: Creating a vibrant environment, Plan 4: Safe, healthy and secure environment, Plan 5: Empowering our citizen, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability.

Chapter 4

Description	Employees					
	Year-1		Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %	Vacancies %
Water	26,485	26,485	23,572	23,572		%
Waste Water (Sanitation)	8,541	8,541	8,285	8,285		%
Electricity	12,355	12,355	10,254	10,254		%
Waste Management	14,232	14,232	13,235	13,235		%
Housing	6,542	6,542	5,496	5,496		%
Waste Water (Stormwater Drainage)	5,643	5,643	5,530	5,530		%
Roads	5,643	5,643	5,530	5,530		%
Transport	5,322	5,322	4,470	4,470		%
Planning	1,254	1,254	1,003	1,003		%
Local Economic Development	2,516	2,516	2,063	2,063		%
Planning (Strategic & Regulatory)	12,546	12,546	10,413	10,413		%
Local Economic Development	2,355	2,355	2,190	2,190		%
Community & Social Services	4,565	4,565	3,698	3,698		%
Environmental Protection	5,649	5,649	4,971	4,971		%
Health	5,649	5,649	4,971	4,971		%
Security and Safety	5,649	5,649	4,971	4,971		%
Sport and Recreation	5,649	5,649	4,971	4,971		%
Corporate Policy Offices and Other	5,649	5,649	4,971	4,971		%
Totals	136,240	136,240	120,592	120,592		-

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

T 4.1.1

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	50	10	20%

* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T 4.1.3

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

T 4.2.0

Chapter 4

NO	POLICY NAME	DATE APPROVED	DATE LAST REVIEWED	RESOLUTION NUMBER	DEPARTMENT
14	Molemole Budget Policy	01/07/2016	29-05-2015	OC29/05/15	Finance
15	Virement Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
16	SCM Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
	SCM Procedure Manual	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
17	Tariff Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
18	Property Rates Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
19	Investment and Cash Management Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
20	Indigent Support Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
21	Policy on debt write-off	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	
22	Asset Management Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance

Chapter 4

NO	POLICY NAME	DATE APPROVED	DATE LAST REVIEWED	RESOLUTION NUMBER	DEPARTMENT
35	Risk management Policy	02-08-2012	02-08-2012	OC61528/08/15	Municipal Office Manager's
36	Performance Management System Policy	29-05-2015	24-02-2016	OC 6.4.8/ 29/05/2015	Municipal Office Manager's
38	Staff Provisioning Policy & Recruitment Policy	29-05-2013	24-02-2016	OC04/2013	Corporate Services
39	Training and Development Policy	29-05-2015	24-02-2016	OC 6.4.7/29/05/2015	Corporate Services
40	Credit Control and Debt Collection Policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
41	Policy on write-off and irrecoverable debts	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
42	Cash Management and Investment policy	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
43	Tariff Structure	29-05-2015	29-05-2015	OC 6.3.1 /29/05/2015	Finance
44	Employee leave policy	29-05-2015	24-02-2016	OC 6.4.5/29/05/2015	Corporate Services
45	IT Security Management Policy	29-05-2015	29-05-2015	OC 6.4.2 /29/05/2015	Corporate Services

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and SS7	65			8	0.42	
Total	501	93%	12	155	3.23	61

* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

NO Performance reward were awarded to The Molemole municipality employees in the 2016/17 financial year

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Chapter 4

Description	Financial Competency Development: Progress Report*			
	A: Total number of officials employed by municipality (Regulation: 14(4)(a) and (c))	B: Total number of officials employed by municipal offices (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B:	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))
Financial Officials				
Accounting officer	0	0	0	0
Chief financial officer	0	0	0	0
Senior managers	0	0	0	0
Any other financial officials	0	0	0	0
Supply Chain Management Officials				
Heads of supply chain management units	0	0	0	0
Supply chain management senior managers	0	0	0	0
TOTAL	0	0	0	1

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

T.4.5.2

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4

		Rathete	Pual Tshepiso	MPAC	None	None	None
9	3350				None	None	None
10	2760	Makgato	Moyagabo Paulina	Councillors	Yes	None	2011/06/07
11	2820	Makgoka	Mangalane Adelaide	Councillors	Yes	Media 24 Holding, Welkom Yizani, Ngalane Trading & Projects, Mabea Micro Finance	2011/08/19
12	2840	Malema	Moni Quintilian	Councillors	Yes	None	2011/06/09
13	3230	Mpati	Ramalepe Lawrance	Councillors	Yes	None	2016/08/18
14	2780	Matlou	Dikeledi	Councillors	Yes	Libdik Trading Enterprise	2012/01/12
15	3370	Nakana	Sewatlalene Robert	Councillors	None	None	None
16	3250	Manthata	Mokgadi Jeanette	Councillors	Yes	None	2016/08/18
17	4310	Duba	Marias	Councillors	Yes	M2B Trading Enterprise	2013/10/14
18	1510	Matjee	Moloko Calvin	Councillors	Yes	Nedbank Investment, Department of Education	2011/06/07
19	3330	Sephesu	Matlou Godlive	Councillors	Yes	None	None
20	3280	Ramukhubedi	Naledzani Selinah	Councillors	Yes	None	2016/08/19

Chapter 5

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

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

The Municipality has engaged the consultant on preparation and compilation of annual Financial statements 2016/2017 financial year with an amount of R849, 300.00. The Municipality is still in the learning process of the case ware system that will assist in compilation.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

T 5.1.0

Chapter 5



Chapter 5

Financial Performance of Operational Services							R '000
Description	Year -1		Year 0		Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	68,155	60,842	69,222	63,161	3.67%	-9.60%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	16,607	8,465	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	3,769	3,066	3,455	3,693	17.00%	6.46%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	14,900	12,603	14,218	13,944	9.62%	-1.97%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
Total Expenditure	136,240	113,518	130,642	119,497	5.00%	-9.33%	

In this table, operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown. The difference between the original budget and the actual expenditure is shown in the difference between the original budget and the actual expenditure.

Chapter 5

Levy replacement	-	-	-	-	-	-	-	-	-
Financial Management Grant	-	-	-	-	-	-	-	-	-
Municipal Demarcation Transitional Grant	1,489	2,233	2,233	1,961	12	12	12	12	12
Provincial Government:	-	8,952	8,125	3,930	56	56	48	48	48
Health subsidy	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Ambulance subsidy	-	-	-	-	-	-	-	-	-
Sports and Recreation	-	-	-	-	-	-	-	-	-
Financial Management Grant	-	-	-	-	-	-	-	-	-
District Municipality:	375	500	1,144	837	-	-	-	-	-
CDM	375	500	1,144	837	(67)	(67)	73	73	73
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	109,081	121,489	122,133	120,466					

Chapter 5

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year-1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						

Provide a comprehensive response to this schedule

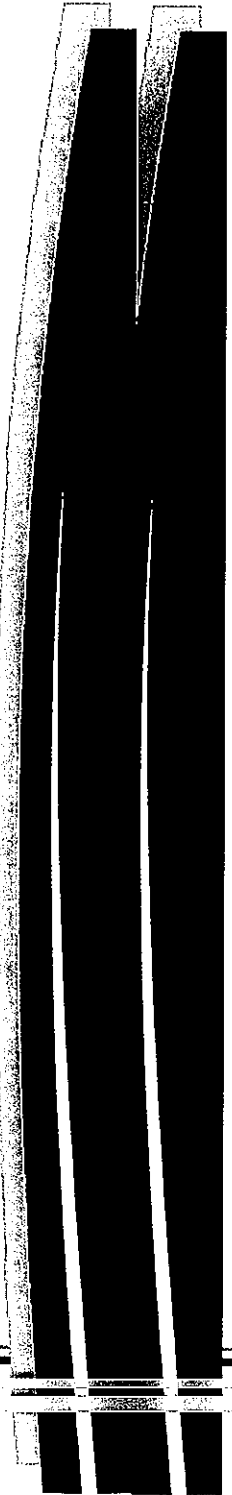
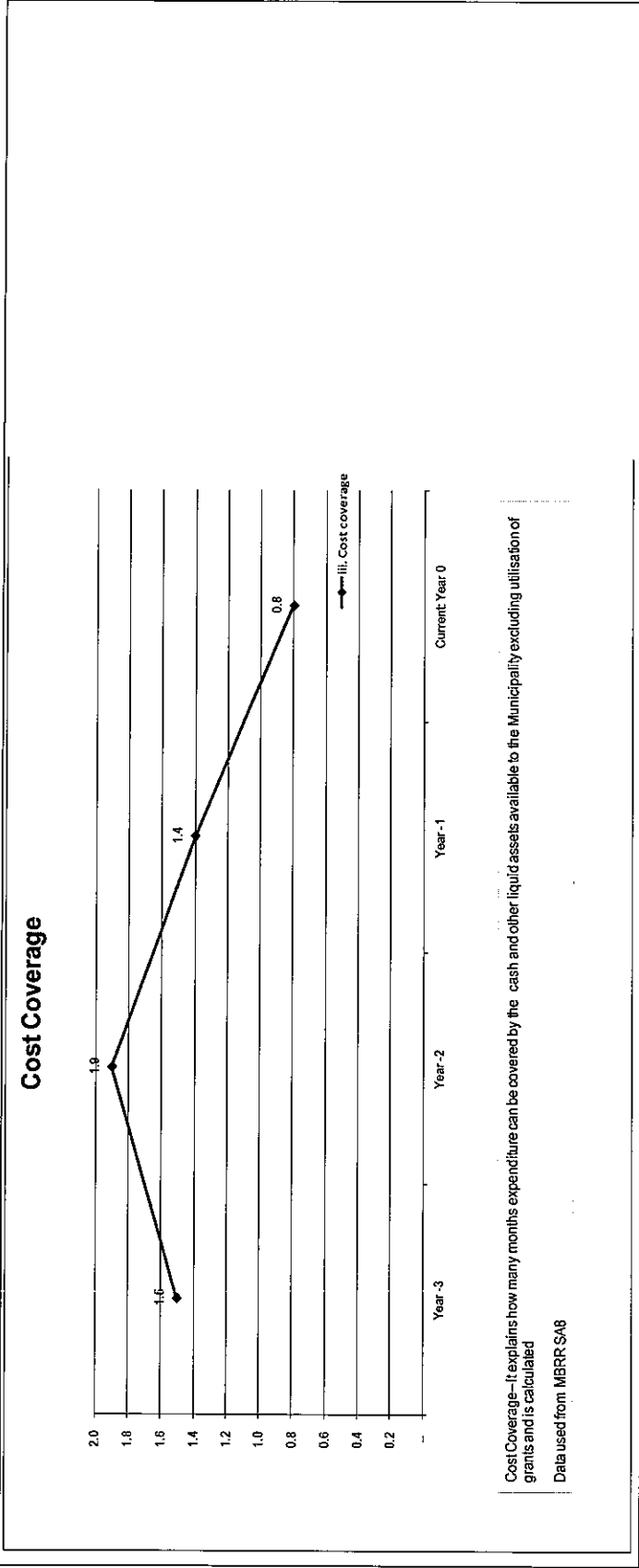
T 5.2.3

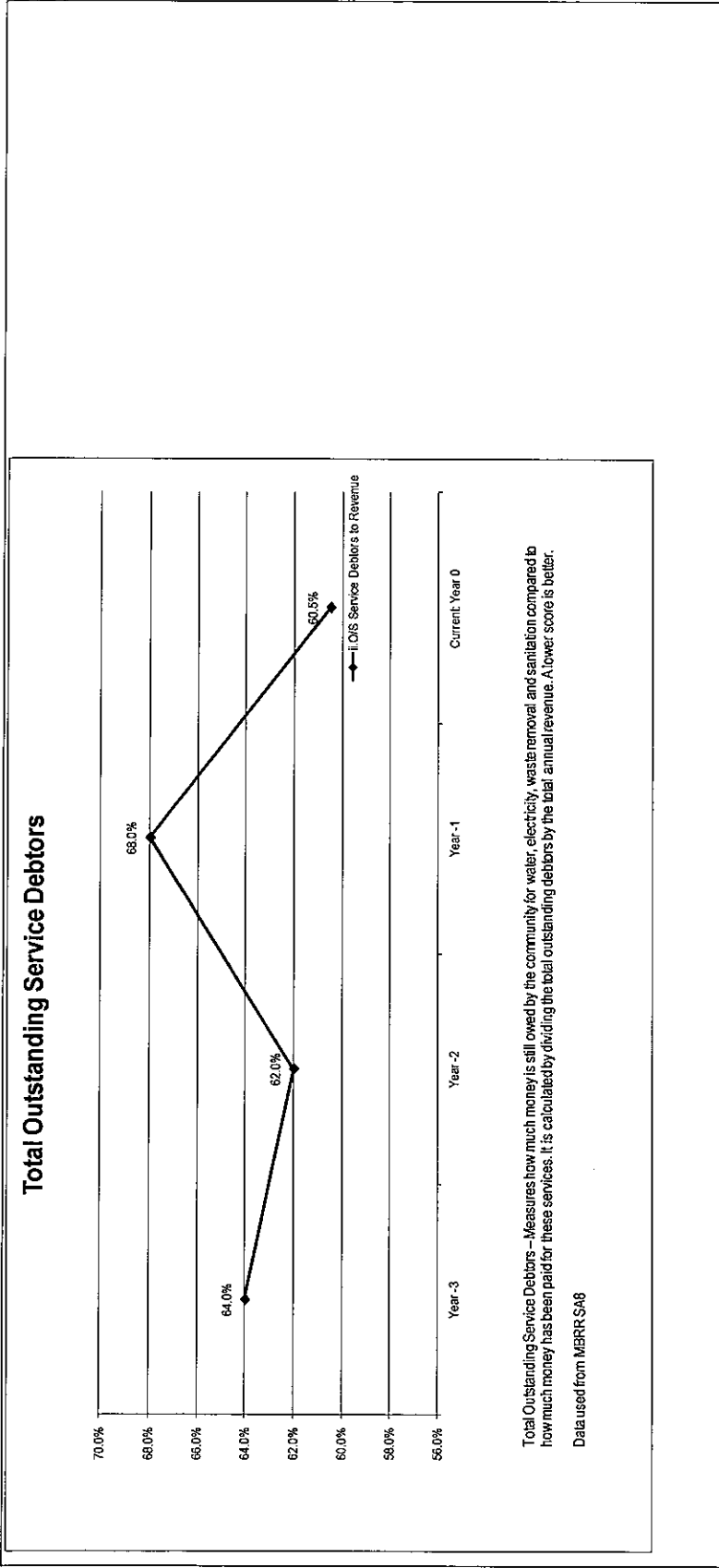
Chapter 5

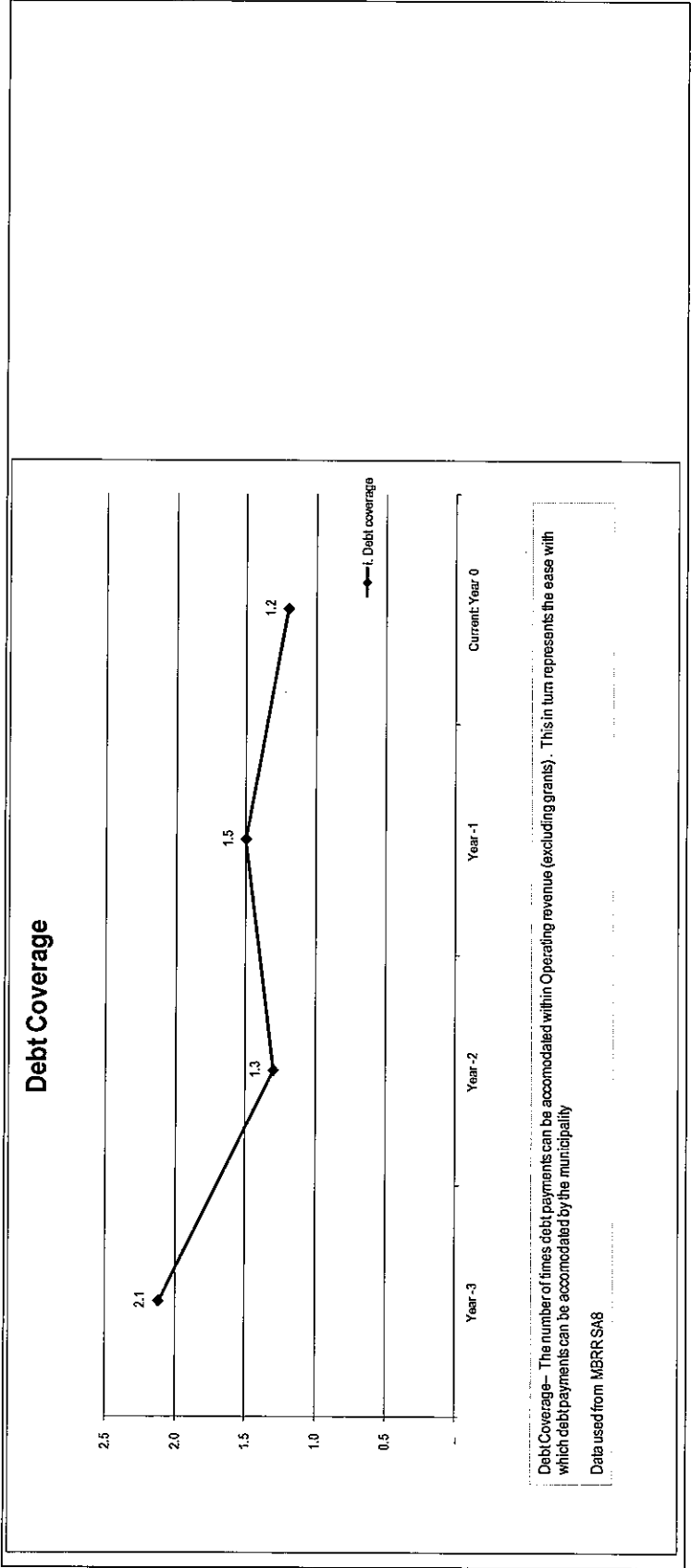
TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

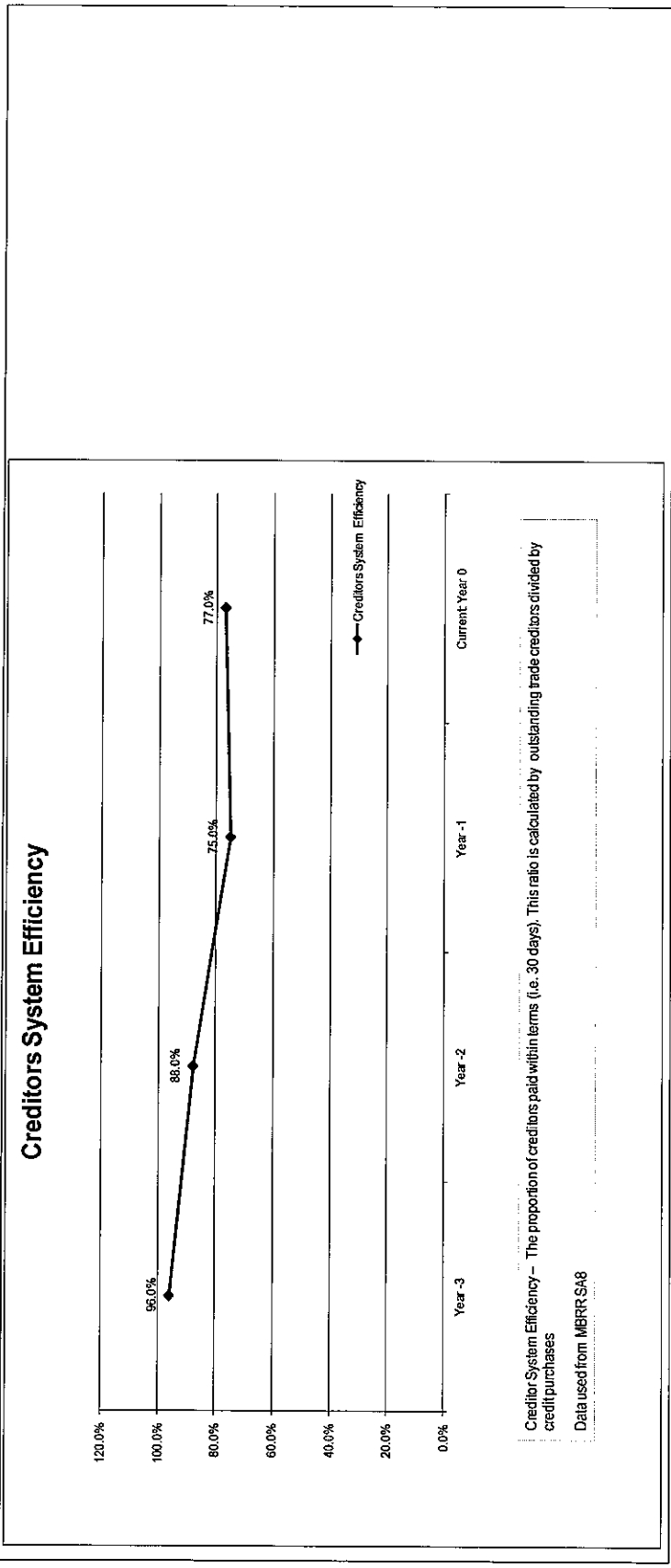
Asset 1						
Name	Year -3		Year -2	Year -1	Year 0	
Description						
Asset Type						
Key Staff Involved						
Staff Responsibilities						
Asset Value						
Capital Implications						
Future Purpose of Asset						
Describe Key Issues						
Policies in Place to Manage Asset						
Asset 2						
Name	Year -3		Year -2	Year -1	Year 0	
Description						
Asset Type						
Key Staff Involved						
Staff Responsibilities						
Asset Value						
Capital Implications						
Future Purpose of Asset						
Describe Key Issues						
Policies in Place to Manage Asset						
Asset 3						
Name	Year -3		Year -2	Year -1	Year 0	
Description						
Asset Type						
Key Staff Involved						
Staff Responsibilities						
Asset Value						
Capital Implications						
Future Purpose of Asset						
Describe Key Issues						
Policies in Place to Manage Asset						
Municipality CHAPTER 5 - FINANCIAL PERFORMANCE 261						
Asset 4						
Name	Year -3		Year -2	Year -1	Year 0	
Description						
Asset Type						
Key Staff Involved						
Staff Responsibilities						
Asset Value						
Capital Implications						
Future Purpose of Asset						
Describe Key Issues						
Policies in Place to Manage Asset						

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

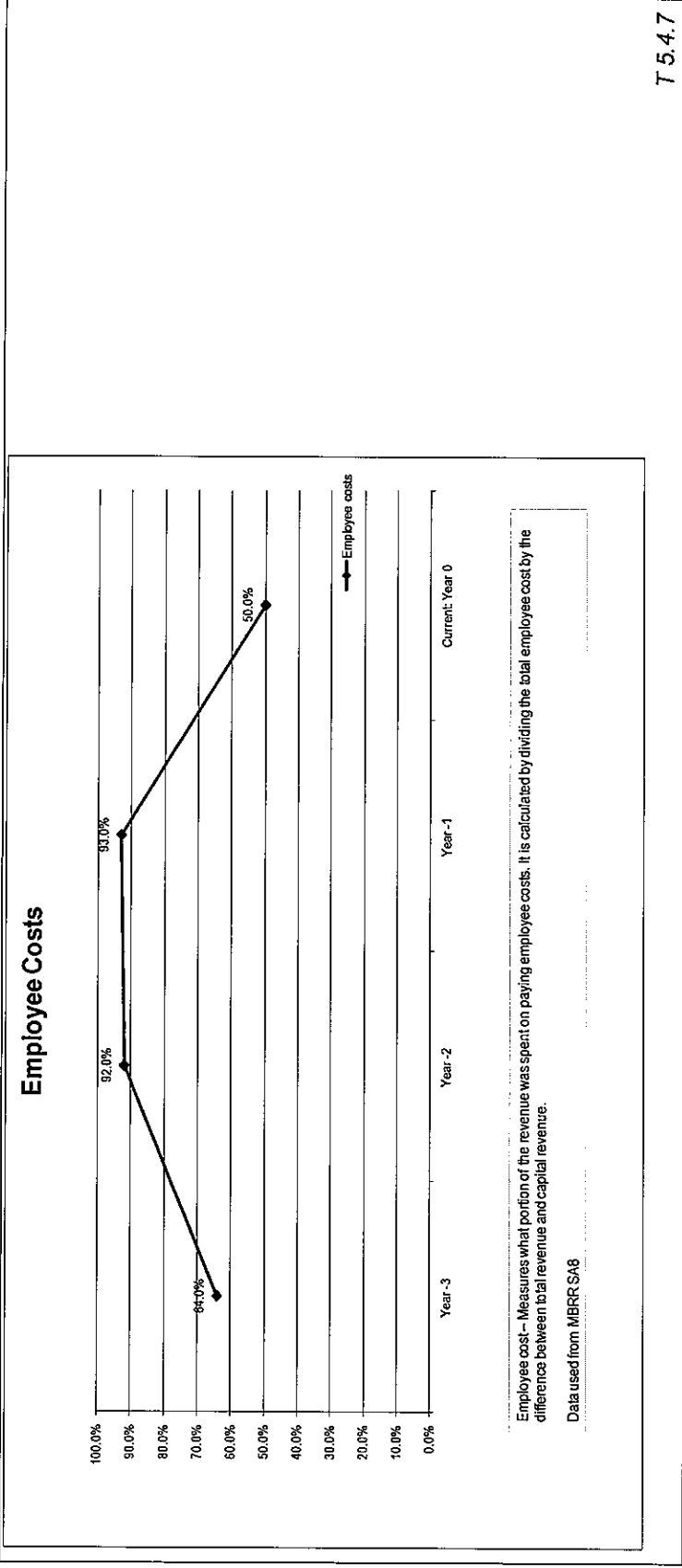








T 5.4.6



T 5.4.7

- Current ratio = 2.3:1
- Acid test ratio = 2.3:1
- Working Capital = R 61,370,396

Overall the ratios look

good as the norm is 1.5:1 which 3.2:1 is higher, this shows that municipality is capable to pay short-term and long-term obligations.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

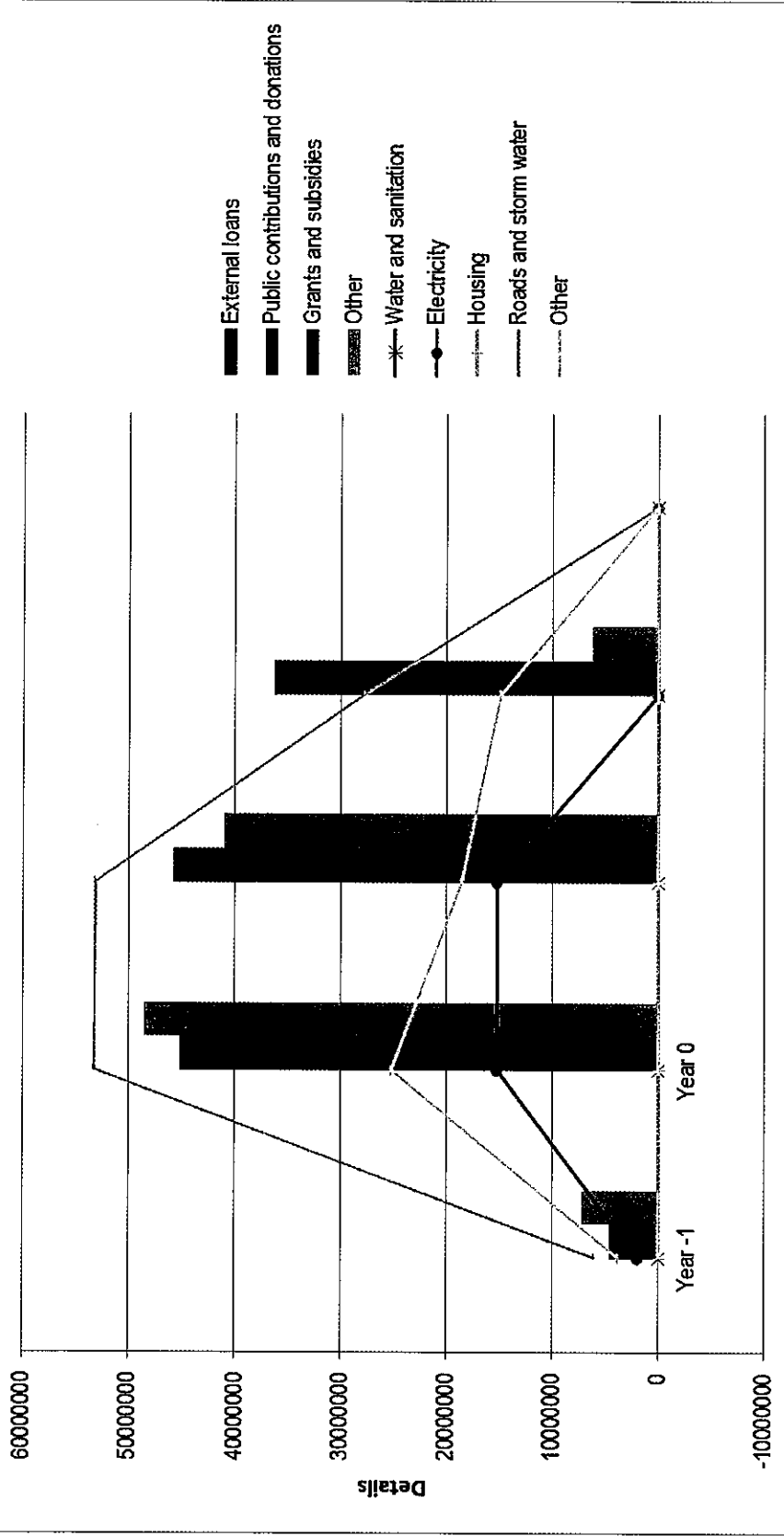
T 5.5.0

5.5 CAPITAL EXPENDITURE

Chapter 5

Details	Year -1		Year 0				Actual to OB Variance (%)
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	0	0	0	0	0,00%	0,00%	0,00%
Public contributions and donations	0	0	0	0	0,00%	0,00%	0,00%
Grants and subsidies	4655355	45161970	45899725	36322804	1,63%	-19,57%	
Other	7178684	48548286	41114413	6216452	-15,31%	-87,20%	
Total	11834039	93710256	87014138	42539256	-13,68%	-106,77%	
Percentage of finance							
External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants and subsidies	39,3%	48,2%	52,7%	85,4%	-11,9%	18,3%	
Other	60,7%	51,8%	47,3%	14,6%	111,9%	81,7%	
Capital expenditure							
Water and sanitation	0	0	0	0	0,00%	0,00%	0,00%
Electricity	1954635	15197266	15197266	2453	0,00%	-99,98%	
Housing	0	0	0	0	0,00%	0,00%	0,00%
Roads and storm water	6036008	53294391	53229914	27709621	-0,12%	-48,01%	
Other	3843396	25218599	18586959	14827182	-26,30%	-41,21%	

Source of Finance and Capital Expenditure

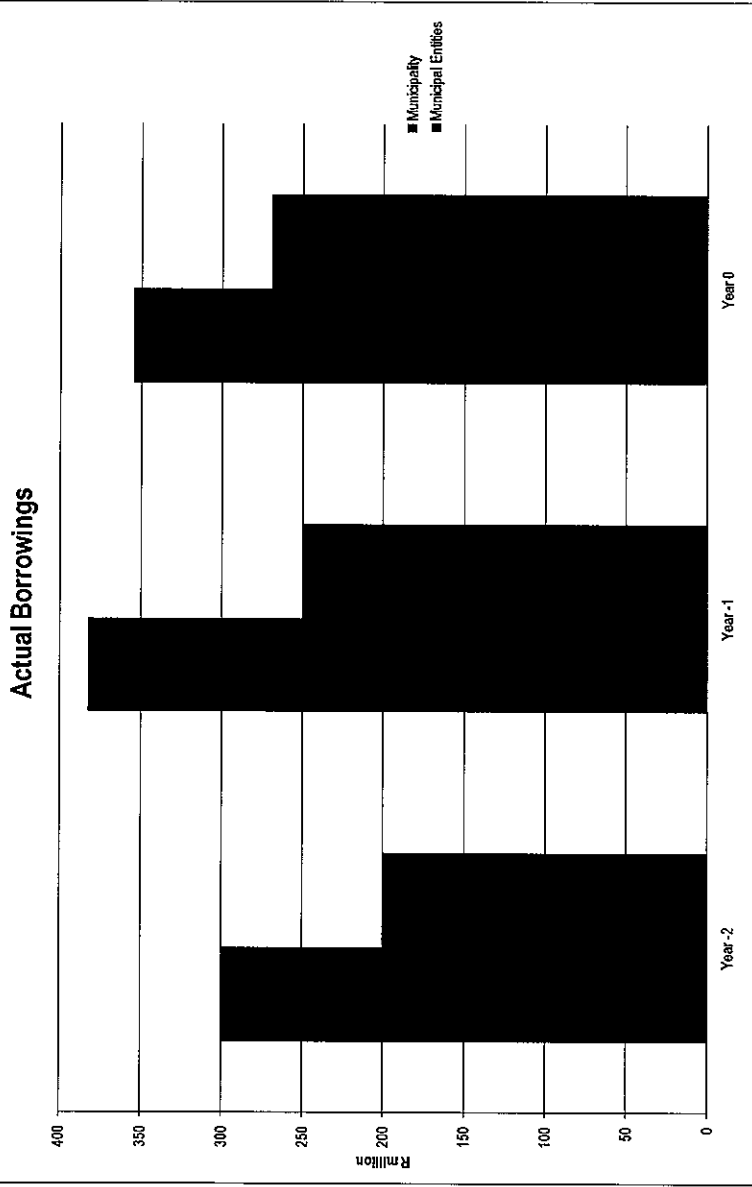


Chapter 5

Anticipated citizen benefits	Community to be visited regularly
Name of Project - C	Server
Objective of Project	Storing of the Municipal Information
Delays	N/A
Future Challenges	None
Anticipated citizen benefits	community to be served with credible & safe Information
Name of Project - D	Electricity Meters
Objective of Project	Installing new prepaid electricity
Delays	N/A
Future Challenges	None
Anticipated citizen benefits	Community to control electricity usage
Name of Project - E	Tractor loader bachoe (TLB)
Objective of Project	Road Maintenance
Delays	N/A
Future Challenges	Maintenance
Anticipated citizen benefits	Community roads to be maintained regularly
	T 5.7.1

Chapter 5

Finance charges	-	-	-	(1
Transfers and Grants	-	-	-	095)
NET CASH FROM/(USED) OPERATING ACTIVITIES	467	114	84	61
				040
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	172)	(71	(85	(40
			775)	351)
NET CASH FROM/(USED) INVESTING ACTIVITIES	172)	(71	(85	(40
			775)	351)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				(517)



5.10

T 5.10.3

PARTNERSHIPS

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T 5.13.1

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The Annual Financial Statements have been audited by the Office of the Auditor General and are set in Volume II of the report. An unqualified audit opinion was achieved. The Auditor General report is included as an annexure

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance 2015/16

Audit Report status*:

Unqualified

Non-Compliance Issues

The financial statements were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.

Remedial Action Taken

The draft annual financial statements to be independently reviewed by the Audit Committee and including an independent reviewer from outside the municipality.

Chapter 6

Audit Report status*:	Unqualified
Non-Compliance Issues	
The performance management system did not provide for policies and procedures to take steps of improvement where performance targets were not met, as required by section 41(1)(d) of the MSA.	<p>Remedial Action Taken</p> <p>The approved PMS policy for 2016/17 was reviewed in line with the applicable legislations.</p>
Key performance indicators in respect of each of the development priorities and objectives were not set out in the IDP, as required by section 41(1)(a) of the MSA and the Municipal planning and performance management regulation 1 and 9(1)(a)	The strategic SDBIP will be incorporated in the IDP during the review process.
Performance targets were not set for each of the key performance indicators for the financial year as required by section 41(1)(b) of the MSA and the Municipal planning and performance management regulations 12(1) and 12(2)(e)	SDBIP will be reviewed to ensure adherence to the applicable laws and legislations. Performance targets for each indicators.
The service delivery and budget implementation plan (SDBIP) for implementing the municipality's delivery of municipal services and annual budget did not indicate projections for each month of the revenue to be collected, by source and/or the operational and capital expenditure, by vote, as required by section 1 and 53(1)(c) of the MIFMA.	The monthly projections for revenue and expenditure were included in the final approved SDBIP 2016/17 financial year.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR (2016/17)

<ol style="list-style-type: none">1. The Integrated Development Plan did not include the key performance indicators and targets as required by sections 26(j) of the Municipal Systems Act, 2000 (Act No.32 of 2000).2. The financial statements submitted for audit were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.3. Procurement and contract management - Awards were made to providers who are in service of other state institutions.4. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 10 227 096 as disclosed in note 43 to the annual financial statements, as required by section 62(1) (d) of the MFMA.5. Effective steps were not taken to prevent irregular expenditure amounting to R 512 734 as disclosed in note 45 to the annual financial statements, as required by section 62(1) (d) of the MFMA.	<ol style="list-style-type: none">1. IDP to reflect all requirements of the Municipal Systems Act.2. Preparation of AFS in line with the requirements of section 122 of the Municipal Finance Management Act.3. Adherence to Supply Chain Management policies, procedures and applicable regulations.4. Restrict suppliers who provide false declaration from doing business with the municipality.5. Utilise SCM checklist and source guidance from Internal Audit.
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AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2016/17

The financial statements present fairly, in all material respects, the financial position of the municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division e of Revenue Act, 2016 (Act No. 3 of 2016).

COMMENTS ON AUDITOR-GENERAL'S OPINION 2016/17

Matters affecting the audit report are the most serious as these will lead to findings on the audit report and the non-achievement of a clean audit. The matters affecting the auditor's opinion have significantly reduced and there was an improvement by the municipality. Overall the total number of audit findings has drastically reduced from that reported in 2016/17 financial year. The municipality has through development and implementation of action plan on issues raised by Auditor-General improved its audit outcome. The Internal Audit is the custodian of the action plan report on issues raised by the Auditor-General. The report is being served in the Audit Committee and Finance Portfolio on a quarterly basis.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

All section 71 reports from July 2016 to June 2017 were submitted to both National and Provincial Treasury, COGHSTA and the Mayor in the format prescribed by National Treasury.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" 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 "what we do".
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.

GLOSSARY

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

GLOSSARY

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Co+A1:F13 Committees Allocated and Council Attendance						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance	
	FT/PT			%	%	
1. Mshilo Edward Paya	FT	Mayor	ANC	100%	N/A	
2. Mpelege Sara Moreroa	FT	Speaker	ANC	100%	N/A	
3. Emmanuel Masilo Rathaha	FT	Chief Whip	ANC	100%	N/A	
4. Moyahabo Daniel Lehong	FT	Ward MAYORAL Councillor	ANC	100%	N/A	
5. Ngaletjane Frank Rampyapedi	FT	Ward MAYORAL Councillor	ANC	100%	N/A	
6. Nakedi Winny Seakamela	FT	Ward MAYORAL Councillor	ANC	80%	20%	
7. Makoma Tawana	PT	Ward MAYORAL Councillor	ANC	80%	20%	
8. Makgabo Alex Kobo	PT	PR MAYORAL Councillor	EFF	90%	10%	

GLOSSARY

21.Motlalaohle Leferela Jacqueline	PT	PR Councillor)	EFF	90%	10%
22. Malema Moni Quintilian	PT	Ward Councillor(08)	ANC	80%	20%
23PhetoleThomas Rakimane	PT	PR Councillor	EFF	80%	20%
24. Tshepiso Paul Rathete	PT	Ward Councillor ((1)	ANC	90%	10%
25 Duba Marias	PT	Ward Councillor(15)	ANC	80%	20%
26,Sewatlane Robert Nakana.	PT	Ward Councilor(7)	ANC	100%	N/A
27.Mokgadi Jeanette Manthata	PT	Ward Councillor(9)	ANC	100%	N/A
28.Sephesu Godlive Matlou	PT	Ward Councillor(10)	ANC	100%	N/A
29.Ramukhubedu Naledzani Selina	PT	Ward Councillor(11)	ANC	100%	N/A
30.Masoga Phuti Standford	PT	Ward Councillor(16)	ANC	100%	N/A
31.Kobola Sekwati Elias	PT	Ward Councillor(12)	ANC	100%	N/A
32.Mpati Ramalepe	PT	Ward Councillor(5)	ANC	100%	N/A

GLOSSARY

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

MUNICIPAL COMMITTEES	NAMES AND INITIALS	PURPOSE OF COMMITTEE
CHAIRPERSON	PAYA M E	CHAIRPERSON OF EXCO
FINANCE DEPARTMENT	SEAKAMELA N W	CHAIRPERSON OF FINANCE
TECHNICAL DEPARTMENT	LEHONG M D	CHAIRPERSON OF TECHNICAL SERVICES
COMMUNITY DEPARTMENT	RAMPYAPEDI N F	CHAIRPERSON OF COMMUNITY SERVICES
CORPORATE SERVICES	TAWANA PM	CHAIRPERSON OF CORPORATE SERVICES
LOCAL ECONOMIC DEVELOPMENT AND PLANNING	KOBO M A	CHAIRPERSON OF LOCAL ECONOMIC AND DEVELOPMENT

GLOSSARY

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager
Municipal Manager's Office	Municipal Manager - Mr NI Makhura
Budget and Treasury	Chief Financial Officer - Mr EK Moloko
Corporate Services	Senior Manager Corporate Services - Mr
Community Services	Senior Manager Community Services - M
Technical Services	Senior Manager Technical Services M
LED and Planning	Senior Manager LED & Planning – Mr Ramogale mw

GLOSSARY

Cemeteries, funeral parlours and crematoria	YES	
Cleansing	NO	
Control of public nuisance	NO	
Control of undertakings that sell liquor to the public	NO	
Facilities for the accommodation, care and burial of animals	NO	
Fencing and fences	NO	
Licensing of dogs	NO	
Licensing and control of undertakings that sell food to the public	NO	
Local amenities	NO	
Local sport facilities	NO	
Markets	NO	
Municipal abattoirs	NO	
Municipal parks and recreation	YES	
Municipal roads	NO	
Noise pollution	YES	
Pounds	NO	
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

WARD COMMITTEE FUNCTIONALITY 2016/2017

Ward No.	Name of ward Councillor & elected ward committee	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office	Quarterly public ward meetings held during the year
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GLOSSARY

WARD COMMITTEE FUNCTIONALITY 2016/2017

Morale MD				
Peta SA				

WARD COMMITTEE FUNCTIONALITY 2016/2017

Ward No.	Name of ward Councillor & elected ward committee members	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Quarterly public ward meetings held during the year
4.	Cllr Rathaha M	Yes	8 meetings held	8 reports submitted	06 ward public meetings held
	Mahuma DE				
	Madiba TJ				
	Matima MJ				
	Manabile MK				
	Thobakgale MT				
	Makhura MP				
	Mohlakela NE				
	Ratema MJ				
	Sebone SI				
	Ramatjie MD				
5.	Cllr Mpati R	Yes	8 meetings held	8 reports submitted	06 ward public meetings held
	Ramarutha ME				
	Makgato MS				
	Rawane MM				
	Mabitsi MR				
	Machaka ND				
	Sekgota AN				
	Hamese M A				
	Thuputlela MD				
	Moalamedi IS				
	Makgato MA				

GLOSSARY

WARD COMMITTEE FUNCTIONALITY 2016/2017					
Ward No.	Name of ward Councillor & elected ward committee members	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Quarterly public ward meetings held during the year
7.	Clr Nakana S	Yes	8 meetings held	8 reports submitted	02 ward public meetings held
	Ramahoyo MJ				
	Machethe ME				
	Mabokachaba MM				
	Mochela JS				
	Sebone TB				
	Phooko MB				
	Tshewe RM				
	Racheku C				
	Mafona MC				
Matsepane NL					
8.	Clr Malema M	Yes	8 meetings held	8 reports submitted	05 ward public meetings held
	Mpholo SC				
	Morokolo MA				

GLOSSARY

WARD COMMITTEE FUNCTIONALITY 2016/2017					
	Senamolela MY				
	Mogale SK				
	Malemela MD				
	Machaka ME				
	Monyemangene MM				

WARD COMMITTEE FUNCTIONALITY 2016/2017					
Ward No.	Name of ward Councillor & elected committee members	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Quarterly public ward meetings held during the year
10.	Cllr Sepheso M	Yes	8 meetings held	8 reports submitted	02 ward public meetings held
	Mabeba RA				
	Matlou T A				
	Malebana TG				
	Sepuru RL				
	Thlapa MC				
	Makgatho NL				
	Moloto PG				

GLOSSARY

WARD COMMITTEE FUNCTIONALITY 2016/2017					
	Makhathi SJ				
	Mohlabeng TA				
	Letlalo MA				
	Pabala MF				
	Mmangweta MN				
	Molemisi KM				
	Mamabolo MJ				

WARD COMMITTEE FUNCTIONALITY 2016/2017						
Ward No.	Name of ward Councillor elected committee members	Name of ward & ward	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Quarterly public ward meetings held during the year
13..	Cllr Lehong D		Yes	8 meetings held	8 reports submitted	01 ward public meetings held
	Maphakela DA					
	Mokondelela MA					
	Rakabe PS					
	Setati RW					
	Mphaka SL					
	Kgopane TO					

GLOSSARY

Manoko TS				meetings held
Malebana PJ				
Masehela BF				
Manamela MC				
Nong CD				
Tele SA				
Kgodu TA				
Mokgehle TS				
Mankga ST				
Mokoele MM				

WARD COMMITTEE FUNCTIONALITY 2016/2017							
Ward No.	Name of ward Councillor elected & committee members	Committee established (/No/Yes)	Number of ward committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Quarterly public ward meetings held during the year		
16.	<table border="1"> <tr> <td>Clr Masoga P</td> </tr> <tr> <td>Mpyana PV</td> </tr> </table>	Clr Masoga P	Mpyana PV	Yes	8 meetings held	8 reports submitted	04 ward public meetings held
Clr Masoga P							
Mpyana PV							

GLOSSARY

Mr. MW. Mokwele	Member	Chairperson
Mr. CC. Semanya	Member	-

3. AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee consists of three (3) members and this is in line with Circular 65 of the MFMA. The committee is expected to meet at least four times in a year. The committee held seven (7) meetings during 2016/17 financial year.

In carrying out its mandate which is conferred by its terms of reference and section 166 of the MFMA, the committee confirms that taking into consideration the reports by both internal and external auditors, it has reviewed and assessed the following:

- a) The effectiveness of internal control systems;
- b) The effectiveness of internal audit;
 - The effectiveness of the risk management processes.
 - The risk areas of the entity's operations to be covered in the scope of internal and external audits;
 - The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
 - Any accounting and auditing concerns identified as a result of internal and external audits;
 - The municipality's compliance with legal and regulatory provisions;
 - The activities of the internal audit function, including its annual work programme, coordination with external auditors,
 - The reports of significant investigations and the responses of management to specific recommendations;
 - Where relevant, the independence and objectivity of the external auditors.

Based on the information and explanations given by management, Internal audit function and discussions with independent External Auditors on the result of the audits, the audit committee is of the opinion that the internal accounting controls were adequately designed but not fully implemented to ensure completeness, accuracy and reliability of financial records for preparing the annual financial statements, and to ensure that the accountability for assets and liabilities is maintained.

GLOSSARY

- 5.2. All Internal Audit activities were completed in accordance with the approved Internal Audit Charter and no compromise of the independence or objectivity of the function was observed throughout for the year under review.

6. PERFORMANCE MANAGEMENT

- 6.1. The Audit and Performance Audit Committee noted that Management has developed a performance management policy, which was approved by Council.
- 6.2. Internal Audit unit has in line with the MFMA/MSA regulations audited on a quarterly basis performance information. All system weaknesses reported were brought to the attention of the Accounting Officer.

7. INTERACTION WITH THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Chairperson of the Audit Committee and MPAC Chairperson had meetings to discuss the Annual Report with a view of finalization of the Oversight report. Meetings are schedule as per requests due to aligned activities from both committees with a view of providing and strengthening of oversight mandate.

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SAB Ngobeni

Chairperson Audit and Performance Committee

GLOSSARY

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2016/17	Recommendations adopted (enter Yes); not adopted (provide explanation)
27 July 2016	<ul style="list-style-type: none"> a) Internal audit reports - A workshop to be scheduled to assist management with responding to audit findings. b) Performance assessment - A schedule for performance assessment to be developed and forwarded to the committee members. c) Evaluation of the Audit Committee - It was recommended that the Municipal Manager take steps to ensure the evaluation of both the audit committee and the Internal Audit function. 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
26 August 2016	a) Draft annual financial statements 2015/16 - A follow up meeting to be scheduled for the 29th August 2016 at 12H00 to discuss the final draft that incorporates all the issues raised. A member from the Audit Committee to form part of the meeting.	Yes
26 October 2016	<ul style="list-style-type: none"> a) Progress on regulatory audit (AGSA) 2015/16 - The committee recommended for the approval of the additional fees for external audit 2015/16. b) Progress on external audit - Management to provide a suitable date before 22 November 2016 c) for discussion of draft management report with AG. d) Follow up report on issues raised by Internal Audit 2015/2016 - Management to prioritise issues raised by internal audit and update progress. e) Revised Internal Audit Plan 2016/17-2018/19 - Internal audit should prioritise Low revenue collection audit for 2017/18 	<p>Yes</p> <p>Yes</p> <p>Yes</p>

GLOSSARY

Municipal Audit Committee Recommendations

26 January
2017

- | | |
|---|-----|
| a) Performance information audit report second quarter 2016/17 - Revenue performance should be added into the internal audit report. Management respond to all targets which were not achieved by the 31 January 2017. | Yes |
| b) MSCOA audit report - Issues raised to be updated in the internal audit action plan. | |
| c) MSCOA implementation plan - The municipality will invite the service provider (BCX) to the Ordinary Audit Committee meeting to make presentation on the progress of MSCOA and give assurance that the Municipality will be MSCOA compliant by the 1st July 2017. | Yes |
| d) Activities in the MSCOA implementation plan should be updated and provide progress for 2016/17 financial year. | Yes |
| e) Progress percentage in terms of MSCOA implementation should be updated and reported in the next meeting. | Yes |
| f) Management should update activities of 2016/17 financial year on the MSCOA implementation plan. | |
| g) Management should prioritise capturing of the IDP on MSCOA classification chart as a matter of urgency. | Yes |
| h) Management to provide narrations on the variance in the capital expenditure percentage (CAPEX 194%) and operating expenditure percentage (OPEX 83%). | Yes |
| i) The draft annual report should be corrected by management prior public participation processes. | |
| j) The Audit Committee and MPAC will schedule a session to discuss the final draft report. | Yes |
| k) Management to provide narrations on the variance on the capital expenditure percentage and operating expenditure percentage which were nearly similar to the second quarter report. | Yes |

GLOSSARY

<p>e) mSCOA presentation – The committee requested that the end users of mSCOA should be given training.</p>	<p>No</p>
<p>✚ Municipality should have a representative from BCX after the implementation of the project to assist with post implementation issues.</p>	
<p>✚ An action plan should be sent to the municipality with the timeline regarding milestones on the activities to be taken and those completed.</p>	<p>Yes</p>
<p>✚ An assessment to be provided on whether the testing of the system can be undertaken prior July 2017.</p>	
<p>✚ A representative from BCX should be available in the next Audit Committee meeting to give report on the progress.</p>	
<p>✚ A special Audit Committee meeting should be arranged by mid-March 2017 to discuss MSCOA progress. An invitation should be extended to BCX and Provincial Treasury.</p>	
<p>f) Unauthorized, Irregular and Fruitless and wasteful expenditure register should be submitted quarterly to Internal Audit unit.</p>	
<p>g) Annual Financial Statement process plan 2015/16 should be developed and submitted in the next meeting.</p>	
<p>h) Draft annual report 2015/16 - Management should correct all issues raised and schedule a meeting between the Audit Committee and MPAC by mid-March to discuss the corrected report.</p>	
<p>i) Performance assessment 2016/17 - Management should provide a schedule for assessment through internal audit.</p>	
<p>j) Evaluation of Audit Committee and Internal Audit function - The evaluation of performance of the audit committee was performed by the Speaker on behalf of Council.</p>	<p>Yes</p>
	<p>Yes</p>

GLOSSARY

	<p>Council with the final Draft IDP/Budget 2017/18.</p> <p>f) Mscoa implementation plan - The municipality should continue with the self-assessment in order to measure progress against targets.</p> <ul style="list-style-type: none"> ✚ ICT due-diligence must be submitted to Provincial Treasury for recommendation on the proposed upgrade. ✚ The pricing schedule for the upgrade of the system should be confirmed with the system vendor. ✚ Council resolution should be obtained for the procurement of the new system. ✚ The municipality should consult with Provincial Treasury regarding the approach to be followed in procuring the system. ✚ The system vendor (BCX) should be invited to the meeting between Audit Committee and management for the discussion of the engagement letter. <p>g) Annual financial statements process plan 2016/17 - The Audit Committee meeting to discuss the AGSA engagement letter and Audit strategy should be incorporated in the plan.</p> <ul style="list-style-type: none"> ✚ The submission date for the draft AFS 2016/17 to Internal Audit should be planned for 7 days prior Audit Committee review. ✚ The dates for confirmation of closing balances should be prioritised in the plan. ✚ The draft plan should reconcile with AGSA Audit Strategy. <p>h) Audit Committee close out report - The hand over report to be discussed with the upcoming committee. The committee shall</p>	<p>Yes</p> <p>Yes</p>
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GLOSSARY

	<p>d) Risk Management report fourth quarter - Management should priorities the appointment of Risk Officer and Legal Manager. ↓ Management should develop standard operating procedures and the turnaround time for the filling of vacant positions.</p> <p>e) Mscoa implementation plan - Management should engage office of the Auditor General for interim audit on the post-implementation of mSCOA project. ↓ That management should develop mSCOA post-implementation plan and compile risk register.</p> <p>f) The committee recommended that the schedule on debtors aging analysis should be rectified prior submission to Council.</p> <p>g) The annual financial statements process plan should be updated and reasons provided for non-achievement of targets.</p> <p>h) Audit Committee close out report – It was requested that all Audit Committee members should form part of the Council meeting for the discussion of the handover report. That a meeting be arranged for handover to the new Audit Committee</p>	<p>Yes</p> <p>Partial</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
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APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	Year - 1	Year 0		Year 0 Variance		
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustments Budget
PROPERTY RATES (ASSESSMENT RATES?)	(10 850 493)	(12 383 208)	(12 000 000)	(11 536 113)	7%	4%
ELECTRICITY SALES	(5 939 993)	(9 727 053)	(7 727 053)	(6 665 518)	31%	14%
REFUSE REMOVAL	(1 551 721)	(1 635 481)	(1 937 244)	(1 830 294)	-12%	6%
INTEREST FROM EXTERNAL INVESTMENTS	(2 100 559)	(2 345 200)	(2 345 200)	(2 422 613)	-3%	-3%
LATE PAYMENT (ARREARS)	(2 554 030)	(4 871 328)	(1 508 722)	(1 574 497)	68%	-4%
RENTAL - BUILDINGS	(232 558)	(240 893)	(240 893)	(245 772)	-2%	-2%
RENTAL - GRAZING	(56 995)	(64 891)	(50 000)	(47 222)	27%	6%
ADVERTISING SIGNS	(2 502)	(3 936)	(3 936)	-	100%	100%
BOOKS LOST	(132)	(213)	(263)	(333)	-56%	-27%
BUILDING PLAN FEES	(16 640)	(16 373)	(34 794)	(23 960)	-46%	31%
CLEARANCE CERTIFICATES	(7 946)	-	(8 876)	(6 461)	-	27%
ELECTRICITY FINES	(19 290)	(25 881)	(25 881)	(5 613)	78%	78%
GRAVE FEES	(13 608)	(10 660)	(10 660)	(8 205)	23%	23%
LEGAL FEES RECOUPED	(4 193)	-	(236 976)	(236 976)	-	0%
MEMBERSHIP FEES	(18 532)	(1 866)	(1 866)	(1 457)	22%	22%
NEW CONNECTIONS	(230 096)	(329 096)	(329 096)	(42 804)	87%	87%
PENALTIES	(406)	(204)	(700)	(1 194)	-485%	-71%
PROVISION FOR SALES OF ASSETS	-	(234 520)	(234 520)	-	100%	100%
RECONNECTIONS	(12 798)	(22 847)	(400)	(283)	99%	29%
REPLACEMENT OF REFUSE BIN	-	(2 355)	(2 355)	-	100%	100%
SALE OF PREPAID METERS	(16 700)	(26 215)	(15 000)	(13 516)	48%	10%
SALE OF STANDS	(151 066)	(9 993 860)	(9 993 860)	(10 000)	100%	100%
SKILLS DEVELOPMENT LEVY - REFUND	(2 428 167)	(173 179)	(182 055)	(116 981)	32%	36%
TENDER DOCUMENTS	(251 567)	(430 300)	(180 000)	(100 264)	77%	44%
TOWN PLANNING FEES	(16 334)	(23 729)	(4 000)	(3 434)	86%	14%
TRAFFIC FINES	(385 850)	(1 017 128)	(1 017 128)	(1 212 000)	-19%	-19%
TRAFFIC LICENSING	(4 908 146)	(5 971 854)	(4 000 000)	(3 471 446)	42%	13%
TRANSFER AGANANG	-	0	(11 955 051)	(11 955 051)	-	0%
COMMISSION WATER	(1 921 682)	(1 923 490)	(1 923 490)	(1 665 859)	13%	13%
COMMISSION SANITATION	(266 343)	(296 830)	(726 355)	(703 401)	-137%	3%
TOTALS	(33 958 345)	(51 772 590)	(56 696 374)	(43 901 266)	379%	734%

APPENDICES

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APPENDICES

Table continued from previous page

Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-
Buildings							
Other							
Investment properties - Total	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on new assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

APPENDICES

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*								R'000
Description	Year -1	Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Capital expenditure by Asset Class								
Investment properties	-	-		-	-	-	-	
Housing development								
Other								
Other assets	-	-		-	-	-	-	
General vehicles								
Specialised vehicles								
Plant & equipment								
Computers - hardware/equipment								
Furniture and other office equipment								
Abattoirs								
Markets								
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets	-	-		-	-	-	-	
List sub-class								
Biological assets	-	-		-	-	-	-	
List sub-class								
Intangibles	-	-		-	-	-	-	
Computers - software & programming								
Other (list sub-class)								
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-	
Specialised vehicles	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
Housing:		
Licencing and Testing Centre:		
Reseviors		
Schools (Primary and High):		
Sports Fields:		

TQ

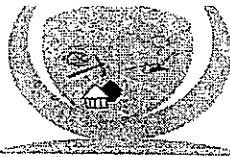
APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p>		

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Private Bag X 44
MOGWADI 0715
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Fax no : (015) 501 0419
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Molemole Municipality

MOREBENG BRANCH OFFICE

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MOREBENG 0810
Telephone : (015) 501 2371
Fax no : (015) 397 4334

www.molemole.gov.za

ALL CORRESPONDANCE TO BE ADDRESSED TO THE MUNICIPAL MANAGER

CORRECTION TO ISSUED AGENDA NOTICE (31/01/2018)

OFFICE OF THE MUNICIPAL MANAGER

E

Additional Information to Draft Annual Report

Vision: A developmental people driven organization that serves its people

Mission: To provide essential and sustainable services in an efficient and effective manner

E

Impairments – trade debtors

8. As disclosed in note 31 to the financial statements, material losses to the amount of R 8 024 716 were incurred as a result of impairment provisions for doubtful debts.

Material losses– Electricity

9. As disclosed in note 48 to the financial statements, material electricity losses to the amount of R 373 249 (2015-2016: R 1 685 386) was incurred which represents 17% (2015-2016: 41%) of total bulk electricity purchased. Technical losses amounted to R 373 249.00 (2015-2016: R 1 685 386) and were due to in-house electricity meters which increased risk of electricity tempering.

Other matters

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

Unaudited supplementary schedules

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirement of the MFMA and DORA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on page(s) x to x; x to x] for information on the achievement of planned targets for the year and explanations provided for the under / overachievement of a number of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Spatial rationale and Basic services and infrastructure planning. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

~~25. In accordance with the PAA and the general notice issued in terms thereof I have a~~
responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

27. The Infrastructure Development Plan did not include the key performance indicators and targets as required by sections 26(i) of the Municipal Systems Act, 2000 (Act No.32 of 2000) (MSA) and Municipal planning and performance management regulation 2(1)(c).

28. The Service Delivery Budget Implementation Plan for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

Annual financial statements, performance and annual reports

29. The financial statements submitted for audit were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA.

30. Material misstatements of revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently resulted in the financial statements receiving an unqualified audit opinion.

Leadership

39. The accounting officer reviewed the annual financial statements and the annual performance plan with the assistance of the audit committee prior to submission for audit, but a number of material misstatements were still identified. This was mainly due to staff not fully understanding the requirements of the financial reporting framework.

Financial and performance management

40. Daily and monthly internal controls measures in place are inadequate to identify prevent and correct errors and misstatements in the financial statements to ensure compliance with the relevant laws and regulations.

Auditor-General.

Polokwane

30 November 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

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the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

6. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed


Hendrik van der Westhuizen
Senior Manager: Limpopo

Enquiries: Disego Debeila
Telephone: (015) 283 9300
Fax: (015) 283 9401



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VOLUME II

VOLUME II ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

Municipality | APPENDICES

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Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on page(s) x to x; x to x] for information on the achievement of planned targets for the year and explanations provided for the under / overachievement of a number of targets.

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Report on audit of compliance with legislation

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30. Material misstatements of revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently resulted in the financial statements receiving an unqualified audit opinion.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

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Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

Index	Page
Accounting Officer's Responsibilities and Approval	4
Accounting Officer's Report	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 14
Accounting Policies	15 - 31
Notes to the Annual Financial Statements	32 - 65

The following supplementary information does not form part of the annual financial statements and is unaudited:

Appropriation statement	66
Schedule of contingent liabilities	67-68
Schedule of contingent assets	69

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	8 959 702	7 642 189
Rental of facilities and equipment		268 872	295 195
Interest received - Outstanding debtors		1 574 496	2 554 030
Licences and permits		3 471 446	3 749 004
Commissions received		2 368 846	2 188 588
Actuarial gains		1 335 841	115 307
Other income	24	582 421	895 962
Interest received - external investment	25	2 422 613	2 100 559
Total revenue from exchange transactions		20 984 237	19 540 834
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	22	13 663 498	10 850 493
Transfer revenue			
Government grants & subsidies	26	152 920 507	140 722 555
Gain as a result of transfer of function	49	29 532 147	-
Public contributions and donation		-	2 399 584
Fines		1 208 600	1 877 650
Total revenue from non-exchange transactions		197 324 752	155 850 282
Total revenue	21	218 308 989	175 391 116
Expenditure			
Employee related costs	27	(66 931 269)	(62 456 161)
Remuneration of councillors	28	(10 568 433)	(8 659 340)
Actuarial Losses		-	(65 334)
Depreciation and amortisation	29	(8 529 313)	(7 546 774)
Finance costs	30	(1 094 931)	(925 870)
Debt Impairment	31	(8 024 716)	(14 146 104)
Repairs and maintenance		(5 111 003)	(5 828 037)
Bulk purchases	32	(7 502 657)	(7 775 854)
Contracted services	33	(3 133 474)	(2 901 362)
Loss on disposal of assets		(33 402)	(61 055)
General Expenses	34	(51 340 930)	(52 763 457)
Total expenditure		(162 270 128)	(163 129 348)
Surplus for the year		56 038 861	12 261 768

* See Note 41

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Functions	Approved Budget	Adjustments	Final Budget	Actual Amounts	Difference	Reference
Capital Expenditure						
Executive and council	200 000	-	200 000	152 847	(47 153)	Vat difference
Budget and Treasury office	2 270 000	474 425	2 744 425	498 425	(2 246 000)	The Upgrade from Solar was done very late due to long engagements with BCX(The service provider) as they were not part of the list mSCOA compliant vendors
Corporate services	6 780 000	(1 170 000)	5 610 000	4 762 211	(847 789)	The records management project was added during adjustment due to revision of MDTG business plan for non - approval of projects not meeting grants conditions in the 3rd quarter
Community and Public safety	7 533 600	7 902 700	15 436 300	3 195 032	(12 241 268)	Challenges with two projects funded by MIG. Mohodi sports complex contractor terminated and Ramokgopa stadium contractor appointed in June due to long engagements with Department Sport
Planning and development	285 000	(285 000)	-	-	-	
Road Transport	51 408 670	1 821 244	53 229 914	27 819 120	(25 410 794)	Challenge with hard rock for mogwadi internal street. Mohodi low level bridge re advertised due to non responsive of bidders.

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant policy.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Comparative Information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.4 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been adopted early by the municipality:

- GRAP 25 Employee Benefits
- GRAP 105 Transfers of Functions Between Entities Under Common Control
- GRAP 106 Transfers of Functions Between Entities Not Under Common Control
- GRAP 107 Mergers

Nature of impending changes in accounting policy:

- None.

Impact on the municipality's financial statements once implemented:

- None.

1.5 Use of Estimates

The preparation of annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may be undertaken in the future, actual results ultimately may differ from these estimates.

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus included in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus or deficit when the asset is derecognised.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	
• Municipla Buildings	15 - 30 years
• Land	Indefinite
Infrastructure	
• Roads	5 - 30 years
• Paving On Car Ports	5 - 30 years
• Electricity Network	4 - 45 years
• Single Fase Meters 97/98	2 -20 years
• Water	2 -20 years
• Sewerage	2 - 20 years
• Stormwater	5 - 30 years
Community	
• Community Buildings	15 - 30 years
• Recreational Facilities	20 - 30 years
• Tennis courts	20 - 30 years
• Swimming Pool And Pumps	5 - 10 years
• Security	5 -30 years
• Palisade Fence	3- 10 years
• Guard Room	2 - 30 years
• Parks and gardens	20 -30 years
• Taxi Rank	22 - 30 years
Other property, plant and equipment	
• Gates And Fencing	5 - 10 years
• Air conditioners	5 - 15 years
• Plant and equipment	5 - 30 years
• Security Measures	5 - 30years
• Other vehicles	5 - 15 years
• Specialised Vehicle	10 - 15 years
• Office equipment	5-15 years
• Furniture and fittings	2- 20 years
• Bins and containers	2 -10 years
• Other items of plant and equipment	10 -15 years
• Landfill sites	30 - 45 years
• Computer equipment	3 - 15 years
Finance Leased Assets	
• Office equipment	3 - 7 years

The residual value, the useful life and depreciation method of each asset are reviewed at least at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Trade and Other Receivables

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

Trade Payables and Borrowings

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, contract workers and other senior managers, is recognised as it accrues. The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends. This bonus is not guaranteed.

1.15 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved by Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.16 Revenue from non-exchange transactions

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursment basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Molemole Local Municipality

(Registration number LIM 353)

Annual Financial Statements for the year ended 30 June 2017

1.25 Impairment of Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Restated Opening balance	Additions	Additions - work in progress	Disposals	Transfers received	Transfers / Revaluations	Revaluations	Restated Depreciation	Restated closing Carrying value
Land and Building									
Land	45 985 760	-	603 666	(20 035)	-	-	405 050	(848 323)	46 126 119
Buildings	21 851 269	-	603 666	(20 035)	-	-	405 050	(848 323)	22 256 319
Infrastructure assets	24 134 491	945 760	3 103 469	-	-	-	-	(2 631 242)	23 869 800
Electricity Network	39 926 763	945 760	1 008 875	-	-	-	-	(410 510)	41 344 662
Roads	10 466 178	-	2 094 584	-	-	-	-	(2 220 732)	12 010 216
Community Assets	29 460 584	-	4 490 153	-	-	1 414 783	403 735	(917 934)	29 334 446
Community Buildings	30 699 922	-	-	-	-	-	403 735	(623 801)	36 090 659
Recreational Facilities	20 344 323	-	-	-	-	-	403 735	(96 297)	20 124 257
Taxi Rank	5 916 519	-	3 965 153	-	-	-	-	(197 836)	9 785 375
Other Assets	4 439 080	-	525 000	-	-	1 414 783	-	(2 419 406)	6 181 027
Air Conditioners	18 617 837	4 869 695	-	(41 021)	2 370 144	-	-	(30 431)	23 387 247
Computer equipment	183 204	-	-	(12 159)	14 500	-	-	(242 644)	155 114
Furniture and fixtures	796 363	285 166	-	(1 357)	425 860	-	-	(164 049)	1 263 408
Motor vehicles	1 204 265	-	-	(10 884)	123 020	-	-	(912 672)	1 152 352
Office equipment	8 503 622	-	-	-	1 091 684	-	-	(610 934)	8 682 633
Plant and machinery	1 017 575	740 598	-	(247)	715 060	-	-	(213 996)	1 862 052
Security Measures	4 759 006	3 363 616	-	(16 374)	-	-	-	(244 680)	7 892 261
Finance Leased Assets	2 163 802	470 315	-	-	-	-	-	(341 394)	2 379 437
Other leased Assets	476 080	-	-	-	-	-	-	(341 394)	134 686
	135 706 361	5 805 455	8 197 288	(61 056)	2 370 144	1 414 783	808 785	(7 158 299)	147 083 373

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7. Employee benefit obligations

Post-employment Health Care Benefits

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas;
- Discovery;
- LA Health;
- Hosmed;
- Samwumed; and
- Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2017 is estimated at R7 056 620. The Current-service Cost for the year ending 30 June 2017 is estimated at R 572 315. It is estimated to be R 600 475 for the ensuing year.

Key actuarial assumptions used:

Rate of Interest

	2017	2016
Discount Rate	9.98%	9.74%
Health Care Cost	8.24%	8.74%
Net Effective Discount Rate	1.60%	0.92%

The amount recognised in the Statement of Financial Position are as follows:

Present Value of fund obligations

	2017	2016
Opening Balance	7 056 620	7 112 585
	7 056 620	7 112 585
Present Value at Fund obligation at the beginning of the year	7 112 585	6 187 523
Total Expenses	1 205 575	1 040 369
Current Service Cost	572 315	546 880
Interest Cost	687 787	563 713
Benefits Paid	(54 527)	(70 224)
Actuarial (gains) / losses	(1 261 540)	(115 307)
Present value of fund obligation at the end of the year	7 056 620	7 112 585
Less : transfer of current portion	(80 316)	(97 512)
Balance 30 June	6 976 304	7 015 073

8. Inventories

Consumable Stores - Stationery and materials - At cost	136 520	189 822
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Inventory pledged as security

No inventory assets were pledged as security for liabilities

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16. Provisions

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Transfer to current portion	Total
Landfill site rehabilitation	9 831 391	491 570	-	-	10 322 961
Employee benefit cost	2 466 501	541 248	(129 071)	(330 061)	2 548 617
	12 297 892	1 032 818	(129 071)	(330 061)	12 871 578

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Landfill site rehabilitation	6 481 380	3 350 011	-	9 831 391
Employee benefit cost	2 203 076	393 995	(130 570)	2 466 501
	8 684 456	3 744 006	(130 570)	12 297 892

Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licencing and rehabilitation costs of

R 10 322 960 (2015: R 9 831 391) to restore the site at the end of its useful life, estimated to be in the 2025 (soekmekaar landfill site) and 2032 (Dendron Landfill site) financial year. Provision has been made for the best estimate of costs at the reporting date with reference to the inflation rate.

Long Service Bonus

The Long Service Bonus plans are defined benefit plans. As at year end, 146 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2017 is estimated at R 2 945 085. The Current-service Cost for the year ending 30 June 2017 is estimated at R 320 898. It is estimated to be R 319 783 for the ensuing year.

Key actuarial assumptions used:

Rate of interest

Discount Rate	8.48%	8.68%
General Salary Inflation (long Term)	6.30%	7.45%
Nett Effective Discount Rate Applied to Long Service Bonusses	2.05%	1.14%

The amounts recognised in the Statement of Financial Position are as follows:

Present Value of fund obligation

Balance	2 945 085	2 607 208
Net liability / (asset)	2 945 085	2 607 208

Reconciliation of present value of fund obligation:

Reconciliation to present Value of fund obligation

Present value of fund obligation at teh beginning of the year	2 607 208	2 203 076
Total expenses	412 177	338 798
Current service cost	320 898	293 371
Interest Cost	220 350	175 997
Benefits paid	(129 071)	(130 570)

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26. Government grants and subsidies (continued)		
Equitable Share		
Current-year receipts	117 668 462	106 286 857
Conditions met - transferred to revenue	(117 668 462)	(106 286 857)
	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
Municipal Infrastructure Grant		
Balance unspent at beginning of year	91 281	658 586
Current-year receipts	42 642 000	30 017 000
Conditions met - transferred to revenue	(1 132 086)	(1 344 460)
Conditions met - transferred to capital	(26 011 669)	(28 902 117)
Adjustments/Returned to National revenue fund	(91 281)	(337 729)
	15 498 245	91 280
Conditions still to be met - remain liabilities (see note 15).		
Municipal Infrastructure Grant received with conditions to be met.		
Finance Management Grant		
Balance unspent at beginning of year	110 925	-
Current-year receipts	2 233 000	1 600 000
Conditions met - transferred to revenue	(1 897 518)	(1 241 657)
Conditions met - transferred to capital	63 000	(247 418)
Adjustments/Returned to National revenue fund	(10 925)	-
	272 482	110 925
Conditions still to be met - remain liabilities (see note 15).		
Finance Management Grant received with conditions to be met.		
Municipal System Improvement Grant		
Balance unspent at beginning of year	-	404 128
Current-year receipts	-	930 000
Conditions met - transferred to revenue	-	(930 000)
Other	-	(404 128)
	-	-
Conditions still to be met - remain liabilities (see note 15).		
Municipal System Improvement Grant received with conditions to be met.		
CDM - Taxi Rank		
Balance unspent at beginning of year	10 940	412 516
Conditions met - transferred to capital	-	(401 576)
Adjustments	(10 940)	-
	-	10 940

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30. Finance costs (continued)		
	1 094 931	925 870
31. Debt impairment		
Debt impairment - Traffic Fines	522 716	1 338 175
Debt impairment - provision	5 430 871	39 455 717
Bad debts written off	-	(26 647 788)
Debt impairment - provision - CDM	2 071 129	-
	8 024 716	14 146 104
The council approved the debt write off in respect of uncollectable services and its interest.		
32. Bulk purchases		
Electricity - Eskom	7 502 657	7 775 854
33. Contracted services		
Security Services	3 133 474	2 901 362
34. General Expenses		
Accommodation and Meals	1 410 607	610 249
Accommodation and Meals : FMG	-	270 732
Advertising	496 558	146 362
Advertising : Recruitment	116 516	52 518
Affiliation & Membership Fees : SALGA	822 925	765 543
Audit Committees Expenses	331 870	303 018
Audit Fees - External	1 925 948	2 487 510
Bank charges	303 840	288 562
Beautification Plan	-	172 500
Bill: Municipal Electricity	386 151	372 633
Bill: Municipal Water	82 962	64 264
Audit of community facilities	99 200	220 800
COIDA	500 000	518 320
Career Exhibition	1 000	147 000
Cash Management Services	10 307	119 372
Catering General	59 030	57 141
Building Plans	311 135	-
Consolidation of consumer accounts	191 000	-
Cleaning Materials	378 288	269 572
Commission Paid	497 016	463 614
Conferences and seminars	173 907	-
Consultancy Fees	927 192	742 715
Credit control and debt collection	86 660	-
Data Cleansing	529 546	964 314
Departmental: Electricity	2 014	30
Departmental: Water	25 788	12 797
EAP	92 684	65 001
Employee bursary scheme	66 940	-
Environmental & Waste Management	1 070 505	500 825
Free Basic Electricity	3 739 011	2 675 560
Free Basic Water	113 513	154 227
Fuel and Oil: Municipal Fleet	1 720 800	1 472 000
Fuel and Oil: Other	5 710	6 049
IDP Expenditure	1 153 600	715 785
ITC Wireless Solutions	-	19 120

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35. Budget Differences (continued)

35.33 Provisions

Employee benefit cost not part of budget

35.34 Revaluation reserve

Aganang transfer of assets were included budget but actual part of gains in respect of transfer of function

CASHFLOW STATEMENT

35.35 Sale of goods and services

The budget did not include the non payment of consumers

35.36 Grants

The allocation as per DORA has changed and therefore less actual.

35.37 Interest Income

The budgeted interest only include the investment interest

35.38 Suppliers

More payments than budgeted because of Aganang transfer.

35.39 Finance Costs

The finance cost budget part of suppliers budget as the National Treasury schedule B does not have separate line item.

35.40 Purchase of property, plant and equipment

Capital projects finance from MIG grants rolled over to next year.

35.41 Finance lease payments

The finance lease contract extended.

36. Cash generated from operations

Surplus	56 038 858	12 274 305
Adjustments for:		
Depreciation and amortisation	8 529 314	7 569 281
Gain/(Loss) on disposal of assets	33 402	109 139
Debt impairment	8 024 716	14 146 104
Movements in retirement benefit assets and liabilities	(330 119)	925 062
Movements in provisions	573 686	3 623 570
Donated assets	-	(2 399 584)
Gain on transfer of function	(17 577 096)	-
Changes in working capital:		
Inventories	53 302	24 796
Receivables from exchange transactions	(2 188 917)	(4 159 604)
Consumer debtors	(8 228 868)	(1 311 988)
Other receivables from non-exchange transactions	(16 621 069)	(7 791 595)
Aganang debtors	10 961 274	-
Payables from exchange transactions	6 152 802	2 349 555
VAT	(1 659 145)	(5 005 508)
Unspent conditional grants and receipts	19 260 553	(1 630 557)
Consumer deposits	8 857	16 114
Other Current Liabilities	(1 991 634)	-
	61 039 916	18 739 090

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	2017	2016
39. Related parties (continued)		
M J Leferela	159 034	235 653
N S Ramukhubedi	159 034	235 653
S E Kobola	159 034	235 653
T Raphaswana	159 034	235 653
M D Meso	159 034	235 653
G M Sepheso	159 034	235 653
M D Marutha	159 034	235 653
M P Tloubatatla	159 034	235 653
S R Nakana	159 034	235 653
N MHopane	159 034	235 653
	7 299 566	10 605 304

2016

Remuneration of Councillors

Mayo (M p Makgato) remuneration , pension , cellphone allowance and housing allowance	812 018
Speaker (L Moabelo) remuneration , pension , cellphone allowance and housing allowance	758 319
Chief Whip (P Rakunu) remuneration , pension , cellphone allowance and housing allowance	644 886
Councillors allowance and remuneration	6 481 431
	8 696 654

Related party per Councillor

	Basic Salary	Allowances	Total 2016
MP Makgato	581 218	230 800	812 018
L Moabelo	464 975	191 823	656 798
P Rakubu	435 914	182 137	618 051
M.P Paya	240 869	104 757	345 626
D Lehong	225 155	99 520	324 675
D Matlou	240 869	104 757	345 626
R Moseamo	240 869	104 757	345 626
A Phihlela	240 869	104 757	345 626
M Mapara	175 173	82 859	258 032
S Senwamadi	175 173	82 859	258 032
N G Makgalo	175 173	82 859	258 032
M Tawana	175 173	82 859	258 032
C Matjee	175 173	82 859	258 032
P Mehale	175 173	82 859	258 032
JHlapa	175 173	82 859	258 032
M P Nkoana	175 173	82 859	258 032
A Moyo	175 173	82 859	258 032
M Maila	175 173	82 859	258 032
N E Ramalepe	175 173	82 859	258 032
A Mahlophe	175 173	82 859	258 032
E Rahlana	175 173	82 859	258 032
A Makgoka	175 173	82 859	258 032
M Masekela	175 173	82 859	258 032
M Malema	175 173	82 859	258 032
M E Mphelo	175 173	82 859	258 032
N W Seakamela	175 173	82 859	258 032
M Duba	175 173	82 859	258 032
	5 999 025	2 697 629	8 696 654

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42. Risk management (continued)

Interest rate risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

Foreign exchange risk

The municipality does not engage in foreign currency transactions.

Price risk

The municipality is not exposed to price risk

43. Unauthorised expenditure

Opening Balance	12 424 809	31 528 847
Add: Unauthorised expenditure - Current year	10 227 096	5 931 685
Less : Amount written of by council	(5 931 685)	(25 035 723)
	16 720 220	12 424 809

The unauthorized expenditure for the current year relates to general expenses, bad debt impairment and finance costs.

44. Fruitless and wasteful expenditure

Opening Balance	202 264	2 614 269
Add: Fruitless and wasteful expenditure - Current year	6 245	16 124
Less : Amount written of by council	(16 124)	(2 428 129)
	192 385	202 264

Fruitless and wasteful expenditure relates to interest charged on Eskom accounts.

45. Irregular expenditure

Opening balance	7 674 820	22 563 367
Add: Irregular Expenditure - current year	512 734	4 209 414
Less: Amounts written of by council	(4 209 414)	(19 097 961)
	3 978 140	7 674 820

46. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	806 190	765 543
Amount paid - current year	(806 190)	(765 543)
	-	-

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Supplementary Information

2. Schedule of contingent liabilities (Continue) - refer note 38

Name of Legal Rep	Litigation	Nature of Dispute	Status	Projected	Projected Estimates 2017	Projected Estimates 2016
SC Mdhuli Attorneys 015 291 5440	Rambuda Nditsheni Joseph	Claim for unlawfull confiscation and impunding of the Plantiffs Vechile allegging lack of necessary permit . The Plaintiff is claiming loss of income of R100 000 , plus 9% interest per annum of cost of suit.	Pending	Summos issued and pleadings exchanged . The Municipality is diputing the claim	100 000	0
					930 000	460 000