

# MUSINA LOCAL MUNICIPALITY



## 2016/2017 ANNUAL REPORT

## TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
<b>CHAPTER 1: Mayor's foreword and executive summary</b>	<b>8</b>
Component A: Mayor's foreword	9
Component B: Executive summary	12
1.1 Municipal Manager's overview	14
1.2 Municipal functions, population and environmental overview	14
1.3 Service delivery overview	21
1.4 Financial health overview	22
1.5 Organizational development overview	23
1.6 Workplace Skills Plan (WSP)	24
1.7 Statutory Annual Report process	24
<b>CHAPTER 2: Governance</b>	<b>26</b>
Component A: Political and administrative governance	27
2.1 Political governance	27
2.2 Overview public accountability and participation	27
2.3 Public Meetings	28
2.4 Section 79 Committees	30
Component B: Intergovernmental relations	42
2.5 Intergovernmental Relations	42
Component C: Public accountability and participation	44
2.6 Overview of public accountability and participation	44
2.7 Effectiveness of the public meetings	45
2.8 IDP participation and alignment	47
Component D: Corporate Governance	48
2.9 Risk management	48
2.10 Public satisfaction survey	52
2.11 Supply chain management	52
2.12 By-Laws	54
2.13 Website	55
2.14 Audit committee	56
<b>CHAPTER 3 : Service delivery performance</b>	<b>57</b>
Component A: Basic Services	58
3.1 Electricity	58
3.2 Water provision	59
3.3 Waste Water provision	60
3.4 Waste Management	61
3.5 Housing	63
3.6 Free Basic Services and Indigent Support	64
3.7 Performance on Roads	64
Component C: Community and Social Services	65
3.8.1 Licensing	65
3.8.2 Traffic	66
3.8.3 Library Services	67
3.8.4 Cemeteries	67
3.8.5 Child Care, Aged Care, Social Programmes	67
Component D: Planning and Development	67
3.9.1 Local Economic Development performance overall	67
3.9.2 Intermodal Facilities	67
3.9.3 Local job opportunities	69
Component E: Annual performance Progress Report	71
<b>CHAPTER 4: Organizational Development Performance</b>	<b>100</b>

Component A: Introduction to Municipal Personnel	101
4.1 Human Resource Services	101
4.2 Information and Communication Technology	102
4.3 Property, Legal, Risk Management and Procurement services	103
Component B: Managing Municipal Workforce	104
4.4 Approved and reviewed policies	104
4.5 Performance Management	105
4.6 Predetermined objectives	106
Component C: Capacitating Municipal Workforce	106
4.7 Skills Development Facilitator	106
Component D: Managing the Workforce Expenditure	109
4.8 Employee Expenditure	109
<b>CHAPTER 5 : FINANCIAL PERFORMANCE</b>	<b>110</b>
Component A: Statement of financial performance	111
5.1 Statement of financial performance	111
5.2 Budget and Revenue Collection	112
5.3 Capital Expenditure	113
5.4 Comment on Financial Performance	114
5.5 Component B: Spending against capital budget	116
5.6 Component C: Cash flow management and investments	118
5.7 Component D: Other financial matters	121
5.8 Component E: Service Provider Performance	122
5.9 Component F: Ward Information	123
<b>CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS</b>	<b>125</b>
Component A: Auditor General's Opinion	126
Component B: Audit Committee Comment	140
Component C: Audit Action Plan	143
<b>APPENDICES</b>	<b>147</b>
Appendix A: Councillors, Committee Allocation and Council Attendance	148
Appendix B: Committee and Committee Purpose	156
Appendix C: Third Tier Administrative Structure	157
Appendix D: Functions of the Municipality/ Entity	157
Appendix E: Ward Reporting	166
Appendix F: Ward Information	168
Appendix G: Recommendations of the Municipal Audit Committee	182
Appendix H: Long Term Contracts and Public partnerships	183
Appendix I: Municipal Entity/ Service Provider performance schedule	184
Appendix J: Disclosures of Financial Interests	185
Appendix K: Revenue Collection Performance	187
Appendix L: Conditional Grants Received Excluding MIG	188
Appendix M: Capital Expenditure New/ Upgrade/ Renewal Programmes including MIG	189
Appendix N: Capital Programme by Projects	190
Appendix O: Capital Programmes by projects per Ward	192
Appendix P: Service Connection Backlogs at Schools and Clinics	192
Appendix Q: Service Backlogs experienced by Community where another Sphere of Government is Responsible for Service Provision	192
Appendix R: Declaration of Loans and Grants made by Municipality	192
Appendix S & T: Declaration of Returns not made in due time under MFMA Section 71	192
Appendix U: Audited Annual Financial Statements	193

## ACRONYMS

AG	: Auditor General
AFS	: Annual Financial Statements
ANC	: African National Congress
APC	: African People's Convention
ASGISA	: Accelerated and Shared Growth Initiative for South Africa
CDW	: Community development worker
CFO	: Chief Financial Officer
CLLR	: Councilor
COGHSTA	: Department of Corporative Governance, Human Settlement and Traditional Affairs
COGTA	: Department of Corporative Governance and Traditional Affairs
COPE	: Congress of the People
CPMD	: Certificate Programme in Management Development
CWP	: Community Works Programme
MLM	: Musina Local Municipality
DA	: Democratic Alliance
EFF	: Economic Freedom Fighter
EPWP	: Expanded Public Works Programme
ESS	: Employee Self Service
EXCO	: Executive Committee
FBE	: Free Basic Electricity
GIS	: Geographic Information System
GRAP	: General Recognized Accounting Practice
HR	: Human Resources
ICT	: Information Communication Technology
IDP	: Integrated Development Plan
INEP	: Integrated National Electrification Program
KM	: Kilometre
LEGDP	: Limpopo Employment, Growth and Development Plan
LGAAC	: Local Government Advanced Accounting Certificate
LUMS	: Land Use Management System
LGSETA	: Local Government Sector Education Training Authority
LGMIM	: Local Government Management Improvement Model
LED	: Local Economic Development
LIBSA	: Limpopo Business Support Agency
LLF	: Local Labour Forum
MIG	: Municipal Infrastructure Grant
MP	: Mpumalanga Party
MPAC	: Municipal Public Account Committee
MFMA	: Municipal Finance Management Act
MFMP	: Municipal Finance Management Program
MSA	: Municipal Systems Act
MSCOA	: Municipal Standard Charts of Accounts
N/A	: Not applicable
NSDP	: National Spatial Development Perspective

OHS	: Occupational Health and Safety
PMS	: Performance Management System
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation Plan
SEDA	: Small Enterprise Development Agency
SMME	: Small, Medium and Micro Enterprises
UIF	: United Independent Front / Unemployment Insurance Fund
VDM	: Vhembe District Municipality
WSP	: Work Skill Plan

## CATEGORY OF MUNICIPALITY

Grade 03 Local Municipality

## REGISTERED OFFICE

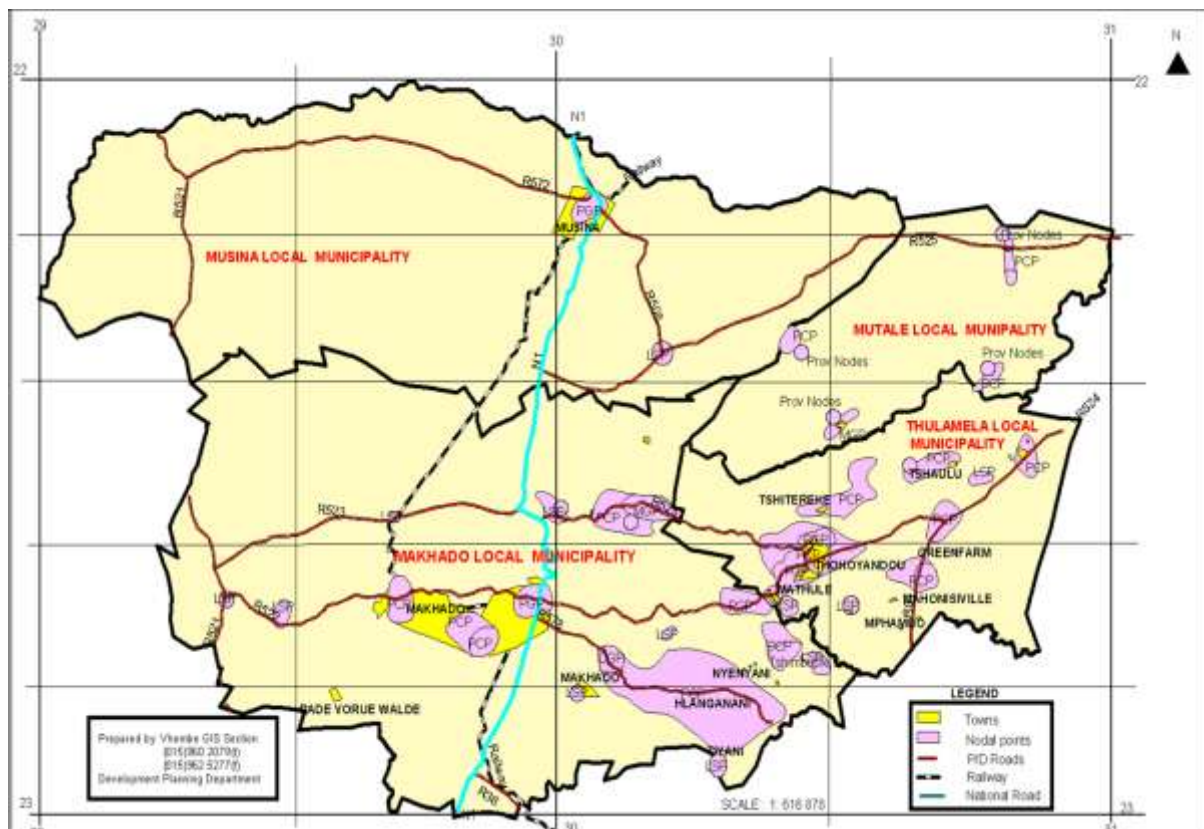
Civic Centre  
Irwin Street  
Musina  
0900

Private Bag X611  
Musina  
0900

Tel: 015-534 6100  
Fax: 015 534 2513  
E-mail: musina.gov.za

## BANKERS

ABSA Bank



## **VISION**

To be the vibrant, viable and sustainable gateway city to the rest of Africa

## **MISSION**

The vehicle of affordable quality services and stability through socio economic development and collective leadership

## **MUNICIPALITY'S BROAD OBJECTIVES**

- The Municipality's strategies seek to achieve the following broad objectives:
- To deliver basic services to communities in a sustainable manner in the quest to create a better life for all,
- To create an environment for local economic growth and job creation, focusing on the competitive advantages of the Municipality.
- To provide responsible and accountable political and administrative leadership to local communities,
- To mobilize the broadest section of the local communities behind the Municipality's endeavours to develop communities with other government departments, public institutions, private sector, NGO's and CBO's as the Municipality's critical partners.

# **CHAPTER 1**

## **MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**



## 1.1 COMPONENT A: MAYOR'S FOREWORD



**Councillor Mhloti Ethel Muhlope**  
Mayor: Musina Local Municipality

The vision statement of the municipality which serves as a blueprint for developmental Programme is “

**“To be the vibrant, viable and sustainable gateway city to the rest of Africa”**

It dawns upon the leadership that providing the complete account on the responsibilities conferred upon the entire municipality will always be a daunting task to the electorate. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the municipality to progressively address the expectations of our people.

### **INTRODUCTION**

It is a pleasure for me to present Musina Local Municipality 2016/2017 Annual Report to our residents and other interested parties. The 2016/2017 Annual Report gives a detailed review of the municipality's activities on actual performance at the end of the fiscal year reporting on how the IDP and budget were implemented. It also describes the work of the municipality in fulfilling its Constitutional mandate and in meeting its obligations as dictated by the applicable local government legislation. Despite the effects of the economic difficult times, the municipality continued to provide quality service delivery to our community.

## **KEY POLICY DEVELOPMENTS**

Council adopted a five year Integrated Development Plan (IDP) which is a single, inclusive and strategic plan for the development programmes of the municipality. The IDP links integrates and coordinates plans of the municipality.

The Municipality's performance is measured by satisfying its key developmental objectives which are as follows:

- Ensuring sustainable and qualitative service delivery
- Improving Local Economy through revised LED strategy
- Achieving an unqualified audit opinion
- Facilitating and regularly updating the indigent register accurately
- Ensuring that monies owed to the municipality is collected
- Continuing to participate in programmes of HIV and AIDS, TB, Cancer through Local Aids Council (LAC)
- Improving Records Management System in terms of NARSA Act
- Conducting Public Participation and ensure the functionality of all governance structures for accountability.
- Fast tracking the implementation of infrastructure projects
- Strengthening the relationship with the traditional leaders
- Creating job opportunities through the implementation of EPWP

## **KEY SERVICE DELIVERY IMPROVEMENTS**

The Municipality core service delivery functions are categorized into Electricity, Access roads and waste management. The municipality is seeing progress in the construction of 1.3 km paved roads in Extension 8 & 14 and Phase 1, The 8.9 km Tshipise/ Matatane Road, 3 Storm water channels in Nancefield, Walk in Centre, and Madimbo Sport Centre Phase 2. A total number of 20589 Households (97%) has access to Electricity serviced by Eskom. Municipality has created 168 jobs through EPWP projects.

There is a slight regression of performance during the financial year 2016/2017 of 86% performance as compared to the previous financial year 2015/2016 of 88%, which demonstrates a decrease of 2%. We are looking forward to improve the performance of the municipality every year.

## **PUBLIC PARTICIPATION**

The municipality has 24 ward committees who conducts public meetings in their respective wards together with ward councillors and submit monthly reports to the Speaker. During the year under review 60 public meetings were held in different wards. Public participation process is used to inform communities about success and challenges that municipality encounter during service delivery. Public participation sessions were conducted through 2016/2017 IDP and Budget process where communities were given an opportunity to raise their needs to be incorporated in the 2016/2017 IDP and budget. Out of the total needs raised, only prioritized and budgeted needs were incorporated in the reviewed 2016/2017 IDP and budget.

## **FUTURE ACTIONS**

Municipality is been selected to participate in the Local Government Management Improvement Model (LGMIM) pilot programme by the Department of Planning, Monitoring and Evaluation for the financial year 2016/2017. LGMIM is one of several initiatives by the Government to support and improve municipal performances. We are looking forward to best excellent measurable end results from this tool.

## **AGREEMENTS / PARTNERSHIPS**

There is no agreement or partnerships that municipality has entered into during the year under review.

## **CONCLUSION**

I wish to thank all councillors, staff, residents stakeholders in particular rate payers for their contributions to pay for services .Together we strive to take our municipality forward.

Muhlope M.E  
MUHLOPE ME  
MAYOR



## **1.2 MUNICIPAL MANAGER FORWARD**

This report records the progress made by the Municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan. It also reflects on challenges and priorities for the 2016/2017 financial year. Chapter 12 of MFMA Section 121 (1) stipulates that every municipality must for each financial year prepare an Annual Report in accordance with this Chapter. MLM has compiled the Annual Report to comply with legislation to give members of community and all stakeholders the performance of the municipality as to how the IDP and budget was implemented.

During 2016/2017 Financial Year, the Municipality received the total allocation of R35 814 million of MIG grant.

The municipality is seeing progress in the construction of the 2km Extension 814 and Phase 1 paved road, regravelling of Tshipise/Matatane 8.9 km Road, Construction of 3 Storm water channels in Nancefield, Walk in Centre, and Madimbo Sport Centre Phase 2.

We intend to reduce the vacancy rate of section 56 managers to zero in the next financial year 2017/2018. All general Managers concluded their performance agreements and quarterly performance reviews were conducted thereby allowing the preparation of quarterly reports to detect non-performance of the set targets.

## PERFORMANCE EVALUATIONS

To demonstrate the municipality's efficiency despite the above mentioned challenges we achieved several milestones. Special reference in this regard should be focused on the following:

- The IDP, Budget and SDBIP were fully aligned as evidenced by a positive rating we received from the Provincial Government responsible for Local Government.
- The spending on capital project increased by more than 20% and this is demonstrated by the massive investment the municipality made on upgrading roads from gravel to paved roads in the township as well as rehabilitating the roads in Village
- The turnaround time on the approval of building plans improved which has a positive spin offs for the municipality in terms of rates levied on the new developments.

We commit to keep on striving to make our community proud, however, to achieve this our community also have to realise their responsibility to assist us in this regard. The municipality not only expect our valued community to understand that there are various priorities requiring our attention but also to understand the limited resources at our disposal. It is therefore our appeal that you trust that we have your interest at heart.

A word of thanks is expressed to the political leadership for the provision of guidance, employees of the municipality for their dedication and finally the citizens of Musina for paying rates and taxes.

The strategic milestones achieved in the financial year 2016/2017 for strengthening the Institutional Transformation are:

- (a) Implementation of Municipal Standard Chart of Account (mSCOA)
- (b) Specialised Service Delivery and Finance Audit – to identify the internal control deficiencies and recommendations for improving the systems



---

**TSHIWANAMBI TN**  
**MUNICIPAL MANAGER**

## 1.1 MUNICIPAL OVERVIEW

Musina local municipality was established in terms of the Municipal Structures Act, 117 of 1998, which provides for the establishment of municipalities, their categories, competencies, powers and functions. Musina local municipality is a category 3 executive system type comprising of 24 Councillors and 12 ward councillors. Musina Local Municipality falls within the Vhembe District Municipality, which is made up of four local municipalities, namely Musina, Makhado, Thulamela and Collins Chabane, of which Musina Local Municipality is bounded by Makhado Local Municipality to the South and LIM 345 local Municipality to the east. Musina is also bounded in the South West by the Local Municipality of Blouberg which falls within the Capricorn District Municipality.

Musina Local Municipality is located in the very North of the Limpopo Province, bordering Botswana and Zimbabwe. Musina Local Municipality covers an area of approximately 757 829 that extends from the confluence of the Mogalakwena and Limpopo rivers in the West to the confluence of the Nwanedi and Limpopo rivers in the East and from Tshipise and Mopane in the South to Botswana/Zimbabwe borders in the North. The municipal area consists mainly of commercial farms and only 0.08% of the total area is urban in nature.

The spatial structure of the municipality falls within the second order settlement as depicted by the hierarchy as contained in the Spatial Rational and therefore the spatial framework is aligned to the NSDP, ASGISA and the LEGDP. The settlement hierarchy of Musina municipality as per the spatial rationale is as follows:

Table 1

Schedule 4 Part B	Schedule 5 Part B
<ul style="list-style-type: none"><li>● Air pollution</li><li>● Building regulations</li><li>● Child care facilities</li><li>● Electricity and gas reticulation</li><li>● Local tourism</li><li>● Municipal planning</li><li>● Municipal public transport</li><li>● Municipal public works</li><li>● Storm-water management systems in built-up areas</li><li>● Trading regulations</li></ul>	<ul style="list-style-type: none"><li>● Billboards and the display of advertisements in public places</li><li>● Cemeteries, funeral parlours and crematoria</li><li>● Cleansing</li><li>● Control of public nuisances</li><li>● Control of undertakings that sell liquor to the public</li><li>● Facilities for the accommodation, care and burial of animals</li><li>● Fencing and fences</li><li>● Local sport facilities</li><li>● Municipal parks and recreation</li><li>● Municipal road</li><li>● Public places</li><li>● Refuse removal, refuse dumps and solid waste disposal</li><li>● Street trading</li><li>● Street lighting</li><li>● Traffic and parking</li></ul>

## **1.2 POWERS AND FUNCTIONS**

The powers and functions were assigned to Musina local municipality in accordance with Section 156 of the Constitution and all Section 84(2) of the Structures Act together with Section 85 adjustments to Musina local municipality on Waste, Roads, Cemeteries, Tourism and public works.

- a) The facilitation for the provision and maintenance of child care facilities.
- b) Development of local tourism.
- c) Municipal planning, municipal roads
- d) Municipal public transport.
- e) Municipal public works relating to the municipality's functions.
- f) Administer trading regulations.
- g) Administer billboards and display of advertisements in public areas.
- h) Administer cemeteries, funeral parlours and crematoria.
- i) Cleansing.
- j) Control of public nuisances.
- k) Control of undertakings that sell liquor to the public.
- l) Ensure the provision of facilities for the accommodation, care and burial of animals.
- m) Fencing and fences.
- n) Licensing of dogs.
- o) Licensing and control of undertakings that sell food to the public.
- p) Administer and maintenance of local amenities.
- q) Development and maintenance of local sport facilities.
- r) Develop and administer markets.
- s) Development and maintenance of municipal parks and recreation.
- t) Regulate noise pollution.
- u) Administer pounds.

- v) Development and maintenance of public places.
- w) Refuse removal, refuse dumps disposal.
- x) Administer street trading.
- y) The imposition and collection of taxes and surcharges on fees as related to the municipality functions.
- z) Receipt and allocation of grants made to the municipality.
- aa) Imposition and collection of taxes, levies and duties as related to municipality function.
- bb) Storm water management systems.
- cc) Provision and maintenance of water and sanitation.
- dd) Provision and maintenance of electricity

### Population group

Musina Municipality is a multi-racial municipality, due to the influence of the mining industry and the Beit bridge border gate. Only 50.5 % of the population in the municipality speaks Tshivenda as their first language, followed by 8,8% who speak Sesotho, which is unusual in this area.

The population in the municipality is dominated by people of aged 15–36.

According to Stats SA the population has a population of 68 359 and 97, 9% of the population is African.

**Table 2: The table below illustrates the population growth**

Population	2011	2001
Males	115503	90655
Females	133860	130992
Total	249 363	221647

Source: Stats SA, Census 2011

**Table 3: The table below illustrates population groups within the municipality**

Group	Percentage
Black African	94%
Coloured	0,3%
Indian/Asian	0,5%
White	4,8%
Other	0,3%



Source: Census 2011, Stats SA

**Table 4: Population group and description of household heads**

	<b>2001</b>	<b>2011</b>
Total population	39,310	68,359
Young (0-14)	29,5%	28,2%
Working Age (15-64)	69,2%	69,2%
Elderly (65+)	3%	2,6%
Dependency ratio	48,1%	44,5
Sex ratio	91,5	101,9
Growth rate	3,46% (2001-2011)	5,53% (2001-2011)
Unemployment rate	24,9%	18,7%
Youth unemployment rate	27,8%	22,5%
No schooling aged 20+	25,4%	11,3%
Higher education aged 20+	4,9%	6,8%
Matric aged 20+	12,5%	21,6%
Number of households	11,577	20,042
Average household size	2,8	3
Female headed households	41,6%	39,6%
Formal dwellings	62,6%	74,8%
Housing owned/paying off	35,6%	31,3%
Flush toilet connected to sewerage	44,6%	63,2%
Weekly refuse removal	42,3%	61,5%
Piped water inside dwelling	15,7%	26,4%

Electricity for lighting	59,2%	76,4%
--------------------------	-------	-------

Source: Stats SA, Census 2011

**Table 5: Economic profile (employment)**

Economic Indicators	
Employment Status	Number
Employed	25588
Unemployed	5893
Discouraged Work Seeker	1869
Not Economically Active	13966

Source: Stats SA Census 2011

- There are more males 6.6% than females 6.2. % within the Municipality.
- The Municipal population is characterised with a large segment of youth (26-29) which comprises of 6.9% of the total population.

Based on the age structure breakdown of the Municipality, it is evident that the population is “young”, which is prevalent in a developing country. With the “young” age structure, increased pressure will be on the delivery of Housing, Social Facilities and Job Creation within the Municipality

**Graph 1: age and gender distribution**

Age	Males	Females
0-4	6,6%	6,2%
5-9	4%	4%
10-14	3,8%	3,6%
15-19	4,3%	4,2%
20-24	6,3%	6,2%
25-29	6,9%	6,7%
30-34	5,5%	4,9%

35-39	4,1%	4,1%
40-44	2,9%	2,8%
45-49	1,9%	1,9%
50-54	1,4%	1,5%
55-59	1%	1,1%
60-64	0,7%	0,7%
65-69	0,5%	0,5%
70-74	0,3%	0,4%
75-79	0,1%	0,3%
80-84	0,1%	0,2%
85+	0,1%	0,2%

Source: Stats SA Census 2011

**Table 6: different languages that are spoken within the municipality**

Language	Percentage
Afrikaans	4,7%
English	4,3%
IsiNdebele	3,3%
IsiXhosa	0,2%
IsiZulu	0,6%
Sepedi	8%
Sesotho	8,8%
Setswana	0,3%

Sign Language	0,2%
SiSwati	0,2%
Tshivenda	50,5%
Xitsonga	4,2%
Other	11.8%
Not Applicable	3%

**Table 7: marital status within the municipality**

Group	Percentage
Married	25,3%
Living together like married partners	11,6%
Never married	59,4%
Widower/Widow	2%
Separated	0,8%

Source: Stats SA Census

**Table 8: Age structure**

**Table 10: tenure status within MLM**

Tenure status	2011
Rented	43,3%
Owned and fully paid off	27,9%
Owned but not yet paid off	3,4%
Occupied rent free	24,3%
Other	1,1%

Source: Stats SA Census 2011

**Table 11: Natural resources within MLM**

Natural Resources	
Major Natural Resource	Relevance to Community
Minerals	Economic empowerment and job creation
River	Agricultural use and consumption
Tourism	Tourist attraction (Maphungubwe Game Reserve)
Land	Agricultural and human settlement

### **1.3 SERVICE DELIVERY OVERVIEW**

The Municipality core service delivery functions are categorized into three: Electricity, Access roads and waste management.

The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the municipality. Waste collection from residential premises is carried out on a weekly basis and bi-weekly from business premises. Housing function is provided by the Department of Corporative Governance, Human Settlement and Traditional Affairs. Water and sanitation is provided by Vhembe District Municipality. Reliance on other sectors departments for services impose is a major challenge to the municipality.

The municipality is responsible for 100% access to local roads which include all street in town, townships and villages. It ensures regular maintenance of roads with the objective of addressing specific needs. The majority of municipal roads are gravel roads. 24 Laptops for councillors, 2 Bicycles for meter readers, 2 emergency Warning Lights, 2 Sirens and 6 Air cons were assets bought in the financial year.

## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 BUDGET AND REVENUE COLLECTION

MLM is a rural municipality with high volume of outstanding consumer debts. This lead to financial burden with none and/or under-payment for services. Municipality has however in process of developing the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality. The Municipality had a total revenue budget of R252 510 million that was adjusted upwards to R284 704 million during budget adjustment. The actual revenue realized is R252 037 million and this resulted in over-performance variance of -R32 668 million. Grants and subsidies amounting to R111 104 million were received during the financial year under review and they contributed a major portion of the total revenue base of the municipality translating to 44.08% grant dependency rate. The municipality had unspent MIG of R 4 482 190 million and this was approved as a roll over and it was appropriated during the 2016/17 Adjustment budget. Including the rolled over portion of MIG, the transfers and subsidies is comprised of R39 414 million that is capital and R117 852 million operating grants that is inclusive of equitable share.

The total revenue budget for service charges, rental of facilities and equipment, and property taxes amounted to - R125 499 million and the actuals thereof amounted to R 130 123 million that gave rise to over-performance variance of R4 624 million. Motor vehicle licenses and fines contributed R 6 084 million to the total revenue base. The return on investments amounted to R12 605 974 million that is slightly higher than the budget thereof and as a projection, thus a good and sound financial management practice.

### 1.4.2 EXPENDITURE

The original budget for operating expenditure was R 251 260 million that was adjusted upwards to R 283 455 million and the actual expenditure thereof is R 308 720 million. This reflects a negative variance of R 22 144 million that is partly attributed to depreciation and debt impairment that are not yet effected. The major portion of operating expenditure is employee related cost that had original budget of R100 799 million and the budget was adjusted upwards to R100 990 million and the actual expenditure thereof is R 114 901 million and the reflected over-spending variance is attributed to new employees from Mutale.

**Table 12: Summary of financial overview**

Financial Overview – 2016/17			
R'000			
Details	Original Budget	Adjustment Budget	Actual
Grants	97 852	117 852	111 104
Taxes, levies and tariffs	114 048	122 390	127 013
Other	40 611	44 463	13 920
Sub -Total	252 510	284 704	252 037
Less Expenditure	251 260	283 455	308 720
Net Total	1 250	1 249	-56 683

**Table 13: Operating ratios**

<b>Operating Ratios</b>	
<b>Detail</b>	<b>%</b>
Employee Costs	37.01
Repairs & Maintenance	6.6
Finance Charges & Depreciation	10.05

**Table 14: Total capital expenditure**

<b>Total Capital Expenditure (R'000)</b>		
<b>Detail</b>	<b>2015/16</b>	<b>2016/17</b>
Original Budget	19 656 000	35 814 000
Adjustment Budget	14 356 000	35 814 000
Actual	14 356 000	32 631 361

**Table 16: 2016/ 2017 MIG PROJECTS**

<b>PROJECT NAME</b>	<b>PROJECT BUDGET</b>	<b>WARD</b>
Nancefield ext. 8&9 concrete paved roads	R 8 000 000.00	Ward 2&5
Madimbo sports centre phase 2	R 5 300 000.00	Ward 8
Sports centre phase 2 ext.5	R 2 228 000.00	Ward 04
Musina walk-in centre	R 5 000 000.00	Ward 01
Tshipise/Matatane road	R 7 800 000.00	Ward 10
Nancefield storm water channel	R 6 295 300.00	Ward 03

## **1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW**

### **1.5.1 HUMAN RESOURCES OVERVIEW**

Human resource services for the municipality are reasonably effective and efficient, and relatively meet the expectations of the community at large. The department is responsible for attracting skilled workforce, motivating workforce to perform the required tasks and continuous capacity building of personnel. The Municipality has 403 employees and 1 Employee passed-on (died). The municipality has 3 critical vacant positions of which (general manager Technical and Corporate) was not filled by the end of the financial year. 2271 sick leave days have been

## TERMINATIONS 2016/2017

Surname & Initials	Position	Department	Reason for Termination	Month
MJ MATSHIVHA	MM	MM OFFICE	RESIGNED	2017/01/13
MAKUSHU BC	SERVICE WORKER	PARKS	DECEASED	2017/04/04
SE MANYATSHA	SERVICE WORKER	PARKS	RETIRED	2016/10/31
DZ NENGOME	SERVICE WORKER	PARKS	RETIRED	2016/09/30
VJ TSHIKUNDAMALEMA	CFO	BUDGET & TREASURY	RESIGNED	2017/06/30

## PROMOTIONS 2016/2017

Surname & Initials	Position Promoted	Department
NEGONDENI PM	HEAVY MACHINE OPERATOR	SOLID WASTE

### 1.5.2 COMMITTEES

The following committees were established in strengthening human resource management.

Local labour forum

OHS Committee

### 1.5.3 BURSARIES

The municipality assisted 19 students with registration fees at registered tertiary institutions to the value of R 90 254. Preference was given to students from poor family backgrounds.

## 1.6 WORKPLACE SKILLS PLAN (WSP)

Municipality has developed the WSP for the year for 2016/2017 and it was submitted to LGSETA on the 28 April 2017 together with the Annual Training report for the year under review. 47 employees and 24 councillors received training for the year under review. No mandatory grants in the form of rebates were received from the LGSETA for the under review.

## 1.7 STATUTORY ANNUAL REPORT PROCESS FOR 2016/2017

**Table 16: statutory Annual Report process**

No	Activity	Date	Responsibility
1	Finalise 4 <sup>th</sup> quarter report for previous financial year	30 July 2017	Municipal Manager
2	Submit draft Annual Report to internal audit and Auditor General	31 August 2017	Municipal Manager
3	Audit/Performance Committee considers draft Annual Report of municipality	25 August 2017	Municipal Manager
4	Mayor tables the unaudited Annual Report	23 August 2017	Mayor



No	Activity	Date	Responsibility
5	Municipality submits draft Annual Report, including the consolidated annual financial statements and the performance report, to the Auditor General	31 August 2017	Municipal Manager
6	Auditor General assesses draft Annual Report, including the consolidated annual financial statements and performance data	31 August – 28 November 2017	Auditor General
7	Municipalities receive and start to address the Auditor General's comments	30 November 2017	Municipal Manager
8	MPAC Committee assesses the Annual Report	02-03 March 2018	MPAC Chairperson
9	Mayor tables Annual Report and audited financial statements to council, complete with the Auditor General's Report	22 January 2018	Mayor
10	Audited Annual Report is made public and representation is invited	29 January 2018	Municipal Manager
11	Council adopts oversight report	31 March 2018	Council
12	Oversight report is made public	01 April 2018	Municipal Manager
13	Oversight report is submitted to relevant provincial councils	07 April 2018	Municipal Manager

It is also a compliance issue to meet the deadlines, as non-compliance will result in a negative audit opinion for the municipality. Meeting deadlines also assists with receiving feedback, comments and inputs from relevant stakeholders, and helps with rectifying mistakes whilst learning good practice at the same time.

The alignment of IDP, budget and the performance system is important, as the three documents are the strategic documents of the municipality. They serve as a guiding tool to determine whether the municipality is working towards achieving its set goals and objectives, while using the budget in the correct manner, so as to avoid wasting public funds. This is done through the performance management, where there will be quarterly reporting about the performance of the municipality and whether the budget is still aligned to the set objectives, or if it is being spent on something that is not helping achieve set objectives and goals. Performance management helps to give an early indication of non-performance, and allows for the taking of corrective measures as soon as possible.

# **CHAPTER 2**

# **GOVERNANCE**

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### Introduction

Section 151 (3) of the constitution states that the council of municipality has the right to govern on its own initiative, the local government affairs of the local community. MLM Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Mayor is the political head of the Institution and the Speaker is the head of council. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The municipality has the authority to take any possible actions to effectively exercise powers assigned to it.

### 2.1 Political governance

Council established Section 79 committees which provides general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality. This section 79 Committees are chaired by independent councillors other than members of executive committee. The following committees were established:

- Executive Committee (EXCO)
- Municipal Public Accounts Committee (MPAC)
- Programming committee
- Corporate services Portfolio committee
- Infrastructure services Portfolio committee
- Financial services Portfolio committee
- Community Services Portfolio committee
- Technical Services and Economic Development and Planning Services Portfolio

The Mayor, the Speaker, the Chief whip and three executive committee members are full-time councillors and takes responsibility for the running of council meetings. The Office of the Council-Whip is established to create synergy and to maintain discipline among councillors from various Political Parties. The Role of the Council-Whip covers both the political and administrative domains of council with emphasis on the political aspect. The Council-Whip deals with the well-being and particularly attendance of all councillors. The Council meetings are governed according to the approved rules of order.

### 2.2 Overview of public accountability and participation

Key to the accountability processes in terms of both the Structures and the Systems Acts is the facilitation and implementation of the following forums:

- Quarterly Community report back meetings by Ward Councillors
- Quarterly Mayoral Imbizo's
- Ward Committee monthly assessment meetings
- Annual Mayoral Address
- Half year Progress Report by the Mayor
- Annual IDP/Budget community and focused groups' consultation meetings

## 2.3 Public meetings

### COMMUNICATION, PARTICIPATION AND FORUMS

The IDP representative forum is chaired by the Mayor and the stakeholders are:

- Councillors,
- Ward committees,
- Organised labour,
- Community based organisations,
- Nongovernmental organisations,
- Sector departments,
- Parastatals,
- Organised business organisations,
- Farmer's organisations.
- Mining houses
- Private sector

Meetings of the IDP representatives forum is held once in every phase of the IDP namely: Preparatory, Analysis, Strategies, Projects, Integration and Approval. Quarterly reports based on the SDBIP are tabled and reported IDP representatives' forum meetings. Meetings of the IDP representative forum are held in the evening as per stakeholder agreement to accommodate stakeholders who are unavailable during working hours, timing of the IDP compilation is regulated by the Municipal Systems Act.

There is room for newly established structures to register on our data base from time to time to enable participation in our IDP Representative meetings. Members of the IDP Representatives Forum are encouraged and urged to hold consultative and feedbacks meetings with the structures and constituencies they represent in order to get their inputs and communicate feedback reports to IDP Representatives Forum for further mandate or processing.

At the beginning of financial year under review, the municipality had 24 elected councillors and 5 designated traditional councillors who are serving in council, 12 ward councillors and 6 party representatives. The following councillors' contracts were terminated by the Municipal elections and new municipal establishment.

POLITICAL PARTY	COUNCILLOR	TERMINATION DATE	NEW COUNCILLOR	START DATE
ANC	Cllr. SFL Ndhlovu (Chief whip)	08 August 2016	Cllr. F Mafela (Chief whip) (Ward 8)	8 <sup>th</sup> August 2016
ANC	Cllr. LB Ndou (Ward 4)	08 August 2016	Cllr. P. Sakala (Ward 4)	8 <sup>th</sup> August 2016
ANC	Cllr. JC Kaunda (Ward 6)	08 August 2016	Cllr. R Netshivhulana (Ward 6)	8 <sup>th</sup> August 2016

The council comprises of 3 political parties namely: ANC, DA and EFF. In order to enhance good governance and accountability, Municipality adopted separation of powers model which separated legislative arm from executive arm.

This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit MLM communities. Council has established section 79 committees to play oversight role and monitor the work of the executive and administration.

Municipality has 24 Councillors. There is a good relationship between councillors as they work cooperatively to achieve the set goals of the municipality. Every year there is a schedule of meetings that is approved by council, in order to ensure that all committees meet regularly to discuss administrative, performance and service-delivery issues. Councillor's participation in various committees is satisfactory. For the year under review council held 7 ordinary council meetings and 5 special meetings.

**Table 1: Committee annual meetings**

Name of Meeting	Annual Target	Number of meetings convened	Number of meetings materialised	Total number of apologies received
<b>Council committees</b>				
Portfolio	8	8	7	0
Labour Forum	4	4	4	3
EXCO	6	6	6	0
Special EXCO	0	0	0	0
Council	6	6	6	4
Special Council	2	2	2	0
MPAC	5	5	11	8
Municipal Events	3	3	3	0
Rules and programming	4	0	0	0
Extended Management	3	3	5	0
HOD	9	9	10	0
Communicators Forum	4	4	4	0
ICT Steering	2	2	1	1
Risk Management	4	4	4	0
Audit	4	4	4	0

**Table 2: MLM Councillors information**

Surname and Initials	Party	Ward no./ PR	Contact number	Gender
Muhlope ME	ANC	Mayor	0765224225	Female
Netshisaulu G	ANC	Speaker/ 11	0827145478	Male
Mafela MF	ANC	Chief whip/ 8	0826210414	Male
Phiri G	ANC	1	0834478843	Male
Shirelele ES	ANC	2	0834478865	Female
Nare T	ANC	3	0713841347	Male
Sakala SP	ANC	4	0729465237	Male
Milanzi GN	ANC	5	0738364490	Female
Netshivhulana RC	ANC	6	0786500005	Male
Khunwana KG	ANC	7	0784361502	Male

Surname and Initials	Party	Ward no./ PR	Contact number	Gender
Netshipale T	ANC	9	0790247106	Male
Gadabeni R	ANC	10	0763137326	Male
Mbedzi P	ANC	12	0766287143	Male
Phiri C	ANC	PR-ANC	0726562739	Female
Mukwevho J	ANC	PR-ANC	0729923197	Female
Mavhungu AR	ANC	PR-ANC	0826406860	Female
Nyabane P	ANC	PR-ANC	0735012670	Female
Makhura D	AND	PR-ANC	0724460952	Female
Makatu KE	DA	PR-DA	0793519287	Male
Magwira E	DA	PR-DA	0728005663	Male
Fick R	DA	PR-DA	0842113570	Male
Mamafa RAE	EFF	PR-EFF	0823148343	Male
Makhesha EN	EFF	PR-EFF	0735012670	Female
Raselabe	EFF	PR-EFF	0722340237	Male

**Table 3: Executive committee members**

Surname and Initials	Party	Ward no./ PR	Contact number	Gender
<b>1. Chairperson:</b> Muhlope ME	ANC	Mayor	0765224225	Female
Cllr ES Shirilele	ANC	Ward 2	0834478865	Female
Cllr GN Milanzi	ANC	Ward 5	0738364490	Female
Cllr KJ Khunwana	ANC	Ward 7	0784361502	Male
Cllr CE Magwira	DA	PR-DA	0728005663	Male

## 2.4 Section 79 committees

The established section 79 committees are in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public service delivery takes place to benefit MLM communities Council has established section 79 committees to play oversight role and monitor the work of the executive and administration.

The established Committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors. MPAC committee is also in place and performs its duties as per approved annual work programme. MPAC is an oversight committee which comprises of non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance.

**Table 4: Section 79 portfolio committees**

FINANCE	COMMUNITY SERVICES	TECHNICAL SERVICES
<b>Chairperson:</b> Muhlope ME	<b>Chairperson:</b> Milanzi GN	<b>1. Chairperson:</b> Khunwana KJ
Cllr AR Mavhungu	Cllr MT Netshipale	Cllr MP Mbedzi
Cllr CE Magwira	Cllr AR Mavhungu	Cllr RC Netshivhulana
Cllr EN Makhesha	Cllr KE Makatu	Cllr CE Magwira
Cllr SP Sakala	Cllr RAE Mamafa	Cllr RAE Mamafa
CORPORATE SERVICES	ECONOMIC DEVELOPMENT PLANNING	MUNICIPAL PUBLIC ACCOUNTS
<b>1. Chairperson:</b> Shirelele ES	<b>1. Chairperson:</b> Khunwana KJ	<b>1. Chairperson:</b> Nari T
Cllr G Phiri	Cllr MP Mbedzi	Cllr G Phiri

Cllr AR Mavhungu	Cllr RC Netshivhulana	Cllr D Makhura
Cllr R Fick	Cllr CE Magwira	Cllr E Magwira
Cllr EN Makhesha	Cllr RAE Mamafa	Cllr E Mamafa
<b>EXCO</b>		
<b>1. Chairperson:</b> Muhlope ME		
Cllr ES Shirilele		
Cllr GN Milanzi		
Cllr KJ Khunwana		
Cllr CE Magwira		



**Councillor Mihloti Ethel Muhlope**

Mayor

**Powers and functions of Mayor as per section 52 of the Municipal Systems Act**

- Provide general political guidance over the fiscal and financial affairs of the municipality.
- In providing such general political guidance, may monitor and, to the extent provide in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities
- Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
- Must within 30 days of the end of each quarter submit a report to council on the implementation of the budget and the financial state of affairs of the municipality
- Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by council to the mayor.



## POWERS AND FUNCTIONS OF THE SPEAKER



**Speaker Cllr Gilbert Netshisaulu**

- To preside at meetings of the council where He is present;
- To ensure that the council meets at least quarterly;
- To ensure compliance with the code of conduct for councillors in the meetings of council and council's committees;
- To maintain order during meetings of the council;
- Ensure that the provisions in respect of privileges and immunities of councillors, as set out in section 28 of the structures act or any other applicable legislation, are adhered to.
- To ensure that council meetings are conducted in accordance with the rules and orders of the council;
- Determine the date and venue of ordinary council meetings;
- To convene special meetings of the council at the venue determined by her and at the time set out in any request that such a meeting be convened in terms of section 29(1) of the structures act; and

## POWERS AND FUNCTIONS OF COUNCIL WHIP



### **Council Whip**

#### **Cllr. Fistos Mafela**

The Office of the Whip of Council has been introduced by the Notice on the Upper Limits on Councillor Remuneration in 2006. The Whip of Council is not an Office Bearer in terms of the LG: Municipal Structures Act, so the Council is not legally obliged to adopt a terms of reference for the Whip. It is, however, advisable to commit to a clear definition of the role of the Whip in relation to that of the Speaker. Whilst there are no statutory functions for the Whip of Council, the SALGA Guideline Document on the Roles and Responsibilities of Councillors, Political Structures and Officials (March 2011) cites the following as the functions of the Whip of the Council:-

- Political management of council meetings and committee meetings
- Inform councillors of meetings called by the Speaker and the Mayor and ensuring that such meetings quorate
- Advises the Speaker and Mayor on the Council agenda
- Informs councillors on important matters on the relevant agenda
- Advise the Speaker on the amount of time to be allocated to speakers and the order of such speakers

#### Addressing the Council

- Ensures that councillor's motions are prepared and timeously tabled in terms of the procedural rules of Council
- Assisting the Speaker in the counting of votes
- Advising the Speaker and the Mayor of urgent motions
- Advising the Speaker and Mayor on how to deal with important items

## COUNCILLORS



**Cllr Mhloti Muhlope (Mayor –ANC)**



Cllr Simon Phiri (ANC)  
(Ward 1)



Cllr Siyaphi Shirelele (ANC)  
(Ward 2)



Cllr Phillemon Nare (ANC)  
(Ward 3)



Cllr Prince Sakala (ANC)  
(Ward 4)



Cllr Nkele Milanzi (ANC)  
(Ward 5)



Cllr Rendani Netshivhulana (ANC)  
(Ward 6)



Cllr Jeremia Khunwana (ANC)

(Ward 7)



Cllr Fistos Mafela (Chief Whip-ANC)

(Ward 8)



Cllr Titus Netshipale (ANC)

(Ward



Cllr Rabelani Gadabeni (ANC)

Ward 10



Cllr Gilbert Netshisaulu  
(Speaker ANC)

Ward 11



Cllr Phillip Mbedzi (ANC)

Ward 12



Cllr Carol Phiri (ANC)  
(PR)



Cllr Josephina Mukwevho (ANC)  
(PR)





Cllr Rosina Mavhungu (ANC)  
(PR)



Cllr Peggy Nyabane (ANC)  
(PR)



Cllr Dorcus Makhura (ANC)  
(PR)



Cllr Ernest Makatu (DA)  
(PR)



Cllr Elliot Magwira (DA)  
(PR)



Cllr Reinhardt Fick (DA)  
(PR)



Cllr Abel Raselabe (PR- EFF)



Cllr Eldah Makhesha (PR- EFF)



Cllr Edward Mamafa (PR-EFF)

## MEMBERS OF EXECUTIVE COMMITTEE



Chairperson: Muhlope ME



Member: Shirelele ES



Member: Milanzi GN



Member: Khunwana KJ



Member: Magwira CE

## HEADS OF THE PORTFOLIO COMMITTEE



Portfolio Head Finance: Muhlope ME



Portfolio Head Community Services: Milanzi GN



Portfolio Head Corporate Services: Shirelele ES  
KJ



Portfolio Head EDP & Technical Services: Khunwana

**MUNICIPAL PUBLIC ACCOUNT COMMITTEE**



Chairperson: Nare P.



Member: Phiri S



Member: Magwira E



Member: Makhura D



Member: Mamafa E



## **FUNCTIONS OF EXECUTIVE COMMITTEE AS PER DELEGATION OF POWERS**

- To report to council on all decisions taken by it;
- oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection

Policy and by-laws and the performance of the municipal manager in implementing the policy and by-laws;

- When necessary, evaluate or review the municipality's credit control and debt collection policy and by-laws, or the implementation of the policy and by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures;
- makes recommendations to council on proposed political structures of council;
- makes recommendations to council in respect of its legislative powers;
- gives political directions to executive management team;
- determine strategic approaches, guidelines and growth parameters for the draft budget including tariff structures;
- delegates powers in respect of any of its powers to the mayor;

### **Administrative Governance**

The Municipal Manager is the administrative head and act as interlink between the politicians and the administration. Municipal Manager together with all staff members and councillors are responsible for implementing the IDP and Budget and monitoring the progress made to ensure that service is delivered to the people. The Accounting Officer also provides guidance to political office bearers and to all officials in the municipality. There is a good relationship between the Municipal Manager, administration and political office bearers. All administrative issues that need intervention of council are referred to council for resolution.

At the beginning of the year the municipality had two (2) vacant positions of Senior Managers accountable directly to the Municipal Manager namely Director Corporate Services and Director Technical Services. The Director Corporate Services and Technical Services. In January 2017 the Municipal Manager resigned from his position leaving the Municipality with (3) vacant position at the end of the financial year under review. The administrative components of municipality comprises of seven (6) directorates and 25 managers.

**Table 4: MLM management information**

<b>Directorate</b>	<b>Designation</b>	<b>Initial and Surname</b>	<b>Gender</b>
Office of the Municipal Manager	Municipal Manager	TN Tshiwanammbi	Male
	Senior Manager	M Sithole	Male
	Manager: Internal Audit	J Seyaka	Male
	Manager: Risk	E Ramuthivheli	Male
	Manager: Communications	W Dzebu	Male

Directorate	Designation	Initial and Surname	Gender
Corporate Services	Acting General Manager: Corporate Services	PS Peta	Male
	Senior Manager	PS Peta	Male
	Manager: Human Resources	R Le Loux	Female
	Manager: Legal	T Rambuda	Male
	Manager: Administration	M Mukoma	Male
	Manager: ICT	P Eccleston	Male
Finance	Chief Financial Officer	VJ Tshikundamalema	Female
	Senior Manager	L Murulana	Male
	Manager: Expenditure	B Muluvhu	Male
	Manager: Budget and Treasury	T Mokone	Male
	Manager: Supply Chain Management	M Siziba	Female
	Manager: Revenue	D Tshikota	Female
Technical	Acting General Manager: Technical	C Dinyake	Female
	Senior Manager	C Dinyake	Female
	Manager: Electrical Engineer	P Jansen	Male
	Manager: Roads	M Mthombeni	Male
	Manager: Water	Matshili M	Female
Community Services	General Manager: Community Services	R Morolana	Male
	Manager: Waste Management	R Kutama	Female
	Manager: Licensing	C Jombe	Male
	Manager: Traffic	D Hlongwane	Male
	Manager: Traffic	M Mutele	Male
	Manager: Social	K Ravhuanzwo	Male
Development	General Manager: Development Planning	TN Tshiwanammbi	Male

Directorate	Designation	Initial and Surname	Gender
Planning	Manager: Town Planning	M Mphephu	Male
	Manager: LED	M Mudau	Male
	Manager: IDP	T Ncube	Male

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

There are platforms established to maintain relationship between all three spheres of government. The purpose of the platforms is consultation with various interest groups and all other key stakeholders to insure that sectoral issues and projects are well captured within the IDP of the municipality for implementation.

#### 2.5 Intergovernmental relations

##### 2.5.1 District intergovernmental structures

Section 24 of Intergovernmental Relations Framework Act 2005, establishes the district intergovernmental forum to promote and facilitate sound relations between the District and Local municipalities and the forum is chaired by District Mayor.

The municipality participates in various intergovernmental structures locally, at a district level and even at a provincial level. Locally structures of intergovernmental relations include the water sector forum, roads and transport forum, energy forum, local economic development forum, and disaster management forum. Various sector departments and relevant stakeholders are the main participants in the activities of such forums.

In the district the municipality partakes in the district IDP Managers forum, CFO's forum, Municipal Managers Forum, District Speakers and Mayors forum and the District Internal Auditors' forum. In the province the municipality participates in the Premier-Mayors" forum, provincial municipal managers" forum as well as the Provincial Planning and Development Forum. Further, the municipality hosts an intergovernmental stakeholder meeting on Migrant Health Forum.

MLM has a good relationship with Vhembe District Municipality and all local municipalities within the district. There are different forums conducted by district where officials and politicians from local municipalities are invited to participate. The structures are as follows:

**Table 5: District intergovernmental structures**

Structures	Directorates	Establishment
EXCO Lekgotla	Mayor and Municipal Manager	Provincial
Municipal Manager's forums	Municipal Manager	Provincial and District
IDP forums	IDP Manager	Provincial and District
PMS forums	PMS	Provincial and District
LED forums	LED Manager	Provincial and District
Communicators' forum	Communication Manager	Provincial and District
VDM Disaster advisory forum	Superintendent: Disaster	District
MPAC forums	MPAC	Provincial and District

The above forums meet quarterly to discuss progress made on service delivery. The forums are facilitated by CoGHSTA representatives and district officials. They are very fruitful forums, as members use this opportunity to share ideas and to learn from each other, in order to improve service delivery.

### **2.5.2 Provincial intergovernmental structures**

Section 16 of Intergovernmental Relations Framework Act 2005, establishes the premier's intergovernmental forum to promote and facilitate sound relations between the Province and municipalities. MLM has a good relationship with provincial structures, namely CoGHSTA, Premier's Office and the Provincial Treasury. The province coordinated various forums where it met with members from all municipalities in the province, in order to discuss service delivery issues. Members from CoGHSTA, the Premier's Office and the provincial treasury also form part of those forums. The forums are:

- Provincial intergovernmental forum
- Premier/Mayor's forum
- Provincial monitoring and evaluation forum
- Provincial government communicators' forum
- Municipal Public Accounts Committee forum.

The forums are very fruitful as any kind of question is clarified, and municipalities that lack capacity are identified and provided with all necessary support.

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

### **Introduction**

In terms of Municipal Systems Act section 51(b) requires a municipality to establish and organize its administration to facilitate a culture of accountability amongst its staff;

Section 6 (i) states that a municipality must develop a system of municipal governance that compliments formal representative government with a system of participatory governance

Section 18 (i) (d) requires a municipality to supply its community with information concerning municipal governance, management and development.

## 2.6 Overview of public accountability and participation

Municipality uses different kinds of public participation, such as the Mayor's outreach, public meetings and IDP/Budget consultation, stakeholders meetings in order to promote the culture of accountability.

The municipality conducted Mayoral listening to the people programme where in 12 wards were visited and awarded opportunities to raise issues to the Mayor. The speaker visited ward 5 the purpose of the visit was to issue sanitary pads to young girls. On the 27<sup>th</sup> August 2016 the Mayor celebrated Women's Day with women to remind them about other women who contributed to the struggle of liberation.

Municipal Public Account Committee (MPAC) visited ward 3

During the year under review the municipality clustered all 12 wards

The municipality in compliance to the Constitution of the Republic of South Africa and other legislations governing local government annually prioritizes the involvement of local communities in the planning and execution of the municipal programmes. Such involvement takes the following shape, community Imbizo, Annual Report Consultative Meetings, IDP/Budget.

WARD	DATE	VENUE	TIME
Ward 1	09/03/2017	Tshivbume Sport Ground	14h00
Ward 2	21/03/2017	Beightbridge Primary school	16h00
Ward 3	23/02/2017	Ngwelemotse next to Mapula Nderera's House	15h00
Ward 4	11/01/2017	Nancefield Boardroom	14h00
Ward 5	22/02/2017	Renaissance Sports centre	14h00
Ward 6	22/02/2017	Harper Community Hall	20h00
Ward 7	11/02/2017	Ratshivuma Secondary	14h00
Ward 8	12/01/2017	Madimbo Community Hall	16h00
Ward 9	19/03/2017	Hamanenje Tribal	15h00
Ward 10	10/01/2017	Mphephu Youth Centre	16h00
Ward 11	04/03/2017	Malinge Primary	20h00
Ward 12	21/01/2017	Masisi Townhall	14h00

## 2.7 Effectiveness of the public meetings

The public meetings were very effective because they gave a good understanding to the communities on how government operates. This is because during those meetings, sector departments were also invited to render services to the communities. After getting inputs from the communities, these meetings also helped the municipality in planning and implementing projects, taking into consideration the needs of the society.

The purpose of these meetings is to give feedback and account to the community on the implementation of the IDP/Budget of the municipality. They are further utilized as a platform to agree on community needs. During the year under review 50 public meetings were held in different wards. All public meetings held were beneficial. Most of queries raised were water related queries and were referred to Vhembe District Municipality.

Ward no	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
1	09/03/2017	3	15	15	6	Yes	09/03/2017
2	21/03/2017	6	22	12	5	Yes	21/03/2017
3	23/02/2017	8	30	18	8	Yes	23/02/2017
4	11/01/2017	10	35	25	12	Yes	11/01/2017
5	22/02/2017	8	19	14	5	Yes	22/02/2017
6	22/02/2017	11	11	20	10	Yes	22/02/2017
7	11/02/2017	12	16	19	11	Yes	11/02/2017
8	12/01/2017	12	19	50	13	Yes	12/01/2017
9	19/03/2017	12	18	21	9	Yes	19/03/2017
10	10/01/2017	12	22	50	15	Yes	10/01/2017
11	04/03/2017	9	33	45	12	Yes	04/03/2017
12	21/01/2017	10	23	25	10	Yes	21/01/2017

## **Communication, participation and forums**

Communication is an important element of good governance. It is through communication that communities and other stakeholders are informed about the activities of the municipality, and thereby getting empowered to participate in the affairs of the municipality. MLM Communities play a vital role to ensure accountability in municipal affairs. Council account to the community through established ward committee system and scheduled IDP/ Budget/ PMS community participation processes. The community participation processes have entrenched a culture of involving communities in decision making processes during the process and finalization of the IDP/Budget/PMS. Communities are continuously informed on municipal governance, management and development through the usage of the different local media, website, Facebook, stakeholders meetings and council sittings.

There are different types of effective forums which assist in knowledge sharing to achieve set goals of municipality those forums are as follows:

- PMS forum
- IDP forum
- Communication forum
- Budget steering committee

The forums hold meetings quarterly with high attendance rate to discuss service delivery issues and measures to improve performance. PMS and IDP forums are represented by Vhembe district municipal officials, local municipality's officials and provincial officials. Budget steering committee is represented by the Chairperson of Finance and all section 56 managers. Whatever decision is taken in those forums that affect community members, such decision are communicated to members of community through our communication channels .e.g. financial status of municipality and performance of municipality

### **Ward Committee meetings and Ward Committee Establishment.**

The municipality has established Ward Committees in all 12 Wards. All Ward Committees are functional and managed to have 36 Ward committee meetings and 14 general meetings and are administratively supported from the Office of the Mayor. All ward committee receives their stipends based on functionality reports. The final IDP/Budget document was adopted by the Council on the 26 May 2016

MLM has established ward committees in terms of Municipal Structures Act of 1998 in all each 12 wards with each ward comprising of 10 ward committee members. Ward Committees assist members of the community to participate in public meetings and take decisions that will take service delivery forward in our communities.

## 2.8 IDP PARTICIPATION AND ALIGNMENT

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

### Integrated Development Plan (Development, Review and Implementation)

The development and review of the integrated development plan for the financial year 2016/2017 was done internally through the involvement of the IDP/Budget steering committee and council. Communities and interested stakeholders were consulted on the formulation of IDP/Budget priorities and setting of targets. To consolidate community and stakeholder consultations, meetings were held as per the approved Process Plan.

IDP REPRESENTATIVE FORUM MEETINGS 2016/ 2017		
DATE	VENUE	ATTENDANCE
19 August 2016	Civic Centre Board Room	77 attended
09 September 2016	Civic Centre Board Room	104 attended
17 October 2016	Civic Centre Board Room	22 attended
04 November 2016	Civic Centre Board Room	55 attended
20 November 2016	Civic Centre Board Room	152 attended
03 February 2016	Civic Centre Board Room	78 attended

IDP STEERING COMMITTEE MEETINGS 2016/ 2017		
DATE	VENUE	ATTENDANCE
10 February 2017	Civic Centre Board Room	24attended
05 August 2016	Civic Centre Board Room	19attended
02 September 2016	Civic Centre Board Room	50attended
03 February 2017	Civic Centre Board Room	78attended
17 May 2017	Civic Centre Board Room	20attended
11 November 2016	Civic Centre Board Room	22attended



ORDINARY AND SPECIAL COUNCIL MEETINGS	
DATE	TYPE
31/07/2016	Ordinary Council
25/01/2017	Ordinary Council
27/02/2017	Special Council
30/03/2017	Ordinary Council
25/05/2017	Ordinary Council

The final IDP/Budget document was adopted by the Council on the 28 May 2016.

## COMPONENT D: CORPORATE GOVERNANCE

### Overview of corporate governance

MLM has a code of conduct and policies in place that served as guidance on how to execute our functions in a responsive manner. These documents are applicable to everyone in the municipality, as they set out rules, laws, customs and culture of the municipality. All officials, together with political heads, work collectively, guided by policies to deliver efficient service delivery to communities in order to achieve the vision and goals of the municipality

### 2.9 RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The risk unit reviewed the risk management policy, strategy and implementation plan.

During the year under review the risk management unit was fully operational with an established Risk Management Committee (RMC) charged with assisting the Accounting Officer in discharging his risk management responsibilities. The RMC met on a quarterly basis to report on the progress made on risk management activities. The RMC was chaired by an external chairperson who also formed part of the audit committee. Risk champions were also appointed in all departments to assist HOD's in discharging their departmental risk management responsibilities.

Strategic and operational risk registers were compiled and the implementation of action plans was monitored on a quarterly basis. The municipality identified 11 strategic risks and 70% of the risks were mitigated with the exception of the following:

RISK	MITIGATION MEASURE
Instability to sustain the institution financially	<ul style="list-style-type: none"> <li>Implement mSCOA</li> </ul>
Inability to attract scarce skilled human resource	<ul style="list-style-type: none"> <li>Implementation of recruitment and regulations</li> <li>Apply for waiver on upper limits for SEC. 57 positions</li> </ul>
Service interruptions	<ul style="list-style-type: none"> <li>Development and implementation of maintenance plan</li> <li>Upgrading of ageing infrastructure</li> </ul>

**Top risks identified:**

- Inability to sustain the institution financially
- Fraud and corruption
- Inability to attract investors
- Lack of support from stakeholders
- Inability to attract scarce skilled human resource
- Ineffective organisational structures
- Disasters
- Service interruptions
- Ineffective governance structures
- Unfulfilled municipal service level expectations
- Challenge institutional transition

**FRAUD AND ANTI-CORRUPTION STRATEGY**

MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

During the year under review, the municipality reviewed the anti-fraud and corruption policy, strategy and whistle blowing policy as part of the process to ensure effective, efficient and transparent systems of internal control. Ultimately, the strategy was implemented and monitored by the designated officials responsible for the risk management of the municipality.

Musina Local Municipality currently shares the anti-fraud and corruption hotline with the Vhembe district municipality along with the municipalities within the district. The presidential and premier hotline cases were also forwarded to the risk management unit for investigation and reporting. Anti- fraud and corruption awareness campaigns were conducted on a quarterly basis. The municipality received one case of alleged maladministration and corruption within the municipality, this case was received by the district in May 2017 (fourth quarter 2016/17) however the municipality only received the report it in July 2017 (first quarter 2017/8). The matter has since been referred to the audit committee and progress will be reported in the 2017/18 financial year

**RISK MANAGEMENT COMMITTEE MEETINGS**

DATE	VENUE	NUMBER OF RISK COMMITTEE MEMBERS ATTENDED	RISK CHAMPIONS	NUMBER OF MANAGERS ATTENDED	STAKEHOLDER DEPARTEMENT
25-Aug-2016	Musina Civic centre	5	3	2	None
22-Nov-2016	Musina civic centre	1	1	4	None
17-Feb-2017	Musina civic centre	3	3	3	None
13-Jun-2017	Musina civic centre	3	4	2	None

## RISK COMMITTEE RESOLUTION REGISTER

DATE	Resolution	Responsible official	Due date	Comments / Progress	Revised target date
22-Nov-2016	Confirmation of adopted SDBIP	Acting: GM Corporate services Management	02-Dec-2016	Target achieved	N/A
22-Nov-2016	Finalization of operational risk assessments	Management and Risk Manager	31-Dec-2016	Target achieved	N/A
22-Nov-2016	Explore other revenue streams	CFO	31-Mar-2017	Appointed service provider to develop revenue enhancement strategy which will include new revenue streams	N/A
22-Nov-2016	Establishment of change management committee	Municipal Manager	30-Dec-2016	Task team established focusing on labour issues.  Change management team established during the 3 <sup>rd</sup> quarter.	N/A
22-Nov-2016	Project and Fraud risk assessment	Risk Manager	30 June 2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
22-Nov-2016	Development of compliance framework	Risk Manager	31 July 2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
22-Nov-2016	Presentation of Mscoa risk register and progress report	CFO	3 <sup>rd</sup> quarter RMC	Target achieved	None
22-Nov-2016	Municipal employee fraud awareness campaigns	Risk Manager	Quarterly	Awareness campaign conducted via e-mails	None
22-Nov-2016	Installation of complaints/ suggestion boxes	Risk Manager	31-Jan-2017	Target achieved	None
22-Nov-2016	Risk maturity assessment	Risk Manager	30-Jun-2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
22-Nov-2016	Evaluation/ assessment of risk committee	Risk Manager	30-Jun-2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
17-Feb-2017	Valuation process report on the Mutale municipal assets	CFO	31-Mar-2017	Target achieved	None
17-Feb-2017	Analysis of services losses i.e. Electricity and engagements with Eskom in conducting investigations on illegal connections.	CFO	31-Mar-2017	Penalties being charged on bridged electricity accounts. Further investigations to be held with ESKOM	None

				during the 4 <sup>th</sup> quarter	
17-Feb-2017	Request VDM to assist in the development of the Disaster Management Plan.	GM: Community Services	31-Mar-2017	Disaster Management Plan done with the exclusion of the De-established Mutale.  To be assisted by VDM and Coghsta since the formulation and drafting was done by the Province.	None
17-Feb-2017	Potential industrial action plan	Acting GM: Corporate Services	31-Mar-2017	Draft Minimum Service Agreement Developed. The agreement details categories of employees classified as essential services and thus not eligible to partake in an industrial action. Further the agreement empowers the employer to source replacement labour and/or alternative services mechanisms. The agreement regulates conduct of striking employees and access to municipal offices during strikes. Strike management registers are kept during strikes to monitor attendance and participation.	The agreement requires consultation with and approval of the local labour forum.
13-Jun-2017	Review of the 2017/18 strategic risk register	Management and Risk management unit	30 June 2017	Target achieved	None
13-Jun-2017	Compliance framework	Corporate Services	31 July 2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
13-Jun-2017	Complaints management system	Corporate Services	30 June 2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
13-Jun-2017	Publication of risk management governance documents	Risk Manager	31 July 2017	Target achieved	None

13-Jun-2017	Risk maturity assessment survey	Risk Manager	30 June 2017	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18
13-Jun-2017	Evaluation/ assessment of risk committee	Risk Manager	Quarterly	Target not achieved	Target moved to 1 <sup>st</sup> quarter 2017/18

### Risk Committee members

Surname and initials	Gender
Tshikhudo F	Female
Tshivanammbi TN	Male
Peta PS	Male
Morolana NR	Male
Tshikundamalema VJ	Female
Ramuthivheli KE	Male
Chauke NS	Female

### Risk Champions

Surname and initials	Gender
Ncube T	Male
Matshili M	Female
Eccleston P	Male
Ravhuanwzo K	Male
Makgato P	Male
Dzebu W	Male

## 2.10 Public satisfaction survey

No public satisfaction survey was conducted during the year under review.

## 2.11 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Municipality has SCM policy in place to minimize fraud and corruption. There are SCM committees in place that are reviewable as and when required to ensure value for money in awarding of tenders. For the year under review 17 tenders were awarded.

- The council has adopted a SCM policy in terms of SCM regulation 3.
- The SCM unit consists of three full time staff; three positions (Manager and Accountant SCM, Procurement officer) and 2 Admin officers' logistics.
- A report on the implementation of the SCM policy is presented to the Mayor on a quarterly basis.
- Needs assessments are undertaken for each acquisition and preferential policy objectives identified.
- Threshold values in the SCM policy are aligned with values stipulated in regulation 12.
- Municipal bid documents comply with MFMA circular 25.

- Records of tenders and all other bids received and awards made.
- All bid committees were established and appointed by the Accounting officer.
- Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.
- 19 Tenders were advertised during 16/17
- All tenders were advertised on the newspaper and on municipal website
- 17 Tenders were evaluated, adjudicated and awarded during 16/17
- 31 formal quotations were awarded(R30000.00 up to R200000.00)
- 119 Procurement below R30000.00
- 105 BBBEE beneficiation awarded for financial year 2016/ 2017

**Table 6: Information of SCM committees**

Description	Number of meetings	members of the committee	functions
Bid specification committee	7	Manager Town Planning Manager Legal Services Manager Revenue Manager Civil Manager Electrical	<ul style="list-style-type: none"> <li>• Compile a proper and unbiased specification for a specific requirement</li> <li>• Ensure proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirements, the ratio between price and functionality, evaluation criteria as well as their weights and values</li> <li>• Ensuring availability of funds</li> <li>• Set ranges indicating breakdown of points, percentages as provided in the relevant sliding scales for the selected specified goals</li> </ul>
Bid Evaluation committee	8	Senior Manager Finance Senior Manager Technical Manager Waste and Parks Manager ICT Manager Expenditure Accountant Supply Chain	<ul style="list-style-type: none"> <li>• Evaluate the bids in accordance with the specifications for a specific procurement</li> <li>• Evaluate as per the set out point system and PPPFA</li> <li>• Evaluate each bidders ability to execute the contract</li> <li>• Check in respect of the recommended bidder whether municipal rates and taxes and municipal services are not in arrears</li> <li>• Submit to the adjudication committee a report and recommendations regarding the award of the bid or other related matter.</li> </ul>

Description	Number of meetings	members of the committee	functions
Bid Adjudication committee	6	Chief Financial Officer Senior Manager Corporate Services Senior Manager Mayors Office General Manager Community Servicers Manager Supply Chain	<ul style="list-style-type: none"> <li>• Ensure that all necessary bid documents have been submitted</li> <li>• Ensure that disqualifications are justified and valid and accountable reasons / motivations were furnished for passing over bids.</li> <li>• Ensure that scoring has been fair, consistent and correctly calculated and applied; and bidder's declarations of interests have been taken cognizance of.</li> <li>• Make final awards or a recommendation to the Accounting Officer to make final award; or make another recommendation to the Accounting officer on how to proceed with the relevant procurement</li> <li>• Consider and rule on all recommendations /reports regarding the amendments ,variations, extension, cancellations or transfer of contracts awarded</li> </ul>

## 2.12 BY-LAWS

### BY-LAWS 2016/17

The MSA 2000 S11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The municipality has 13 approved by-laws, there is a however a need to raise educational and awareness and ensure compliance and enforcement of the approved by-laws.

Through by-laws, the municipality must, in future, regulate other critical areas that remain unregulated currently to curb un-favourable practices and to protect the interests of residents, business, environment and the state. During the period under review, the Municipality identified a number of mandatory and infrastructural by -laws to be developed and reviewed, some of which were either outdated nor non-existent. This process was done with the assistance of COGHSTA.

The major challenge on by-Law development relates to inadequate budget to can facilitate the drafting, public participation and gazetting of by-laws. By-laws are critical in the maintenance of public order, enforcement of council objectives and administration of municipal affairs. The development and application of municipal by-laws enhances financial viability and provides mechanisms for recourse on violation of council policies. The municipality has a Code of by-laws in compliance with section 15 of the Municipal Systems Act, 2000. We have developed and Gazetted 13 mandatory by-laws and in the process of Gazetting infrastructural by-laws. Below is a list of By-Laws gazetted and developed:

NAME OF BY-LAW	BY-LAW GAZETTED	BY-LAW DEVELOPED
Credit Control and Debt-Collection By-Law	✓	
Electricity Supply By-Law		✓
Property Rates By-Law	✓	
Public Roads By-Law		✓
Storm-Water By-Law		
Street Trading By-Law	✓	✓
Traffic and parking Control By-Law	✓	
Waste Management By-Law		✓
Building Regulations By-Law		✓
Tariff Policy By-Laws	✓	
Public parking By-Law	✓	
Advertising, Billboard and the display of advertisement By-Law	✓	
Standing Orders By-Law	✓	

## 2.13 WEBSITE

A municipal website is an integral part of a municipality's communication infrastructure and strategy. If managed effectively, it allows easy access to relevant municipal information, it serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. The municipal website is [www.musina.gov.za](http://www.musina.gov.za) Municipality's website is available and functional to assist members of the community and fellow South Africans to access municipal information easily.

**Table 8: Municipal website information**

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous Annual Report 2016/2017	Yes	
The Annual Report 2016/2017 published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act 2016/2017 and resulting scorecards	Yes	
All service delivery agreements 2016/2017	No	N/A
All long-term borrowing contracts 2016/2017	N/A	N/A
All supply chain management contracts above a prescribed value	No	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) during Year 1	Yes	
Contracts agreed in 2016/2016 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in 2016/2017	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2016/2017	Yes	



## 2.14 AUDIT COMMITTEE

The Audit Committee of the Municipality was established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003, the contracts of five (05) Audit Committee members established by Council with effect from 01 July 2012 came to an end on the 31<sup>st</sup> of December 2015. New Audit Committee members have been appointed by Council with effect from 01 April 2015 comprising of four (04) members for the period of three (03) years. Inductions for the newly appointed members were held at the Municipality on 26 January 2016. The Audit Committee reported to council on their activities and recommendations as required by the Audit Committee Charter and section 166 of the MFMA for all four (4) quarters of 2016/2017. For the year under review, Four (4) ordinary and one (01) special audit committee meetings were held.

### Audit functions

During the year under review the municipality shared the service of an Audit and Performance Committee with Vhembe District Municipality. The purpose of the Audit and Performance Committee is to monitor oversight, quality assurance and compliance enforcement roles. In addition council has established a performance assessment panel to conduct performance assessments and recommend to council.

The municipality has an Internal Audit unit which report administratively to the Municipal manager and functionally to the Audit and Performance Committee. During the year under review, the Audit and Performance Committee held the meetings as follows:

DATE	VENUE	NUMBER OF AUDIT COMMITTEE MEMBERS ATTENDED	NUMBER OF MANAGERS ATTENDED	SUPPORT MANAGEMENT	STAKEHOLDER DEPARTEMENT
26 August 2016	Musina Civic centre	03	08	05	07
23 November 2016	Musina civic centre	03	05	06	00
25 November 2016	AGSA offices Polokwane	03	06	02	03
20 March 2017	Musina civic centre	03	13	03	01
14 June 2017	Musina civic centre	02	13	04	01

### Audit Committee members

Surname and initials	Gender
Ravhudzulo KP(resigned August 2016)	Male
Mbewu B	Male
Lambani NE	Male
Tshikhudo FS	Female

# **CHAPTER 3**

## **SERVICE DELIVERY PERFORMANCE**

### 3 COMPONENT A: BASIC SERVICES

#### 3.1 ELECTRICITY

##### SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT)

##### BASIC SERVICES

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

Musina Local Municipality is licenced for electrical distribution in urban areas and Eskom is responsible for reticulation in the rural areas. All households in the Musina Town and Township has access to electricity, for the year under review we have rolled out major network upgrades at various extensions.

Extension of the service in the rural area at a rate equivalent to actual development in the area remains a challenge.

The municipality provides this services with minimal interruption, such interruption in the main are attributable to cable theft, planned and unplanned maintenance as well as ESKOM supply cuts for maintenance. It is important to note that annually the unit implements network infrastructure refurbishment programmes.

##### Electricity Service Delivery Levels

Description	2012/13	2013/2014	2014 / 15	2015/16	2016/2017
	Actual No.	Actual No.	Actual No.	Actual No.	
<b>Formal Settlements</b>					
Total households	9945	10727	10727	15 502	20589
Households below minimum service level	1 013	1013	418	390	580
Proportion of households below minimum service level	10.1 %	9.4%	9.8%	8%	8%
<b>Informal Settlements</b>					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0

Employees: Electricity Technical Admin Services					
Job Level	2016/2017	2016/17			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	12	12	4	8	66%
7 – 9	27	20	0	20	100%
10 – 12	4	4	2	2	50%
13 – 15	32	20	20	0	0%
<b>Total</b>	<b>76</b>	<b>57</b>	<b>27</b>	<b>30</b>	<b>53%</b>

Proportion of Households with minimum level of Basic services					
	2012/13	2013/14	2014/ 15	2015/16	2016/2017
Electricity service connections	89.9 %	91%	98%	100%	100%
Water - available within 200 m from dwelling	100 %	86%	87%	96%	98%
Sanitation - Households with at least VIP service	100 %	86%	88%	90%	95%
Waste collection - kerbside collection once a week	98.8 %	94%	96 %	100%	100%

### 3.2 WATER PROVISION

#### 3.2.1 INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005. Musina Local Municipality is not a Water Services Authority (W.S.A.) but a Water Services Provider (W.S.P.). In the rural areas Vhembe District Municipality provides the Infrastructure and Musina does the provision. In the urban areas Musina does the extraction, purification, reticulation and billing and also connect all new customers.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/13	0	0	1 379 820	3 927 180	371 490
2013/14	0	0	2 770 020	2 665 308	231 1272
2014/15	0	0	2 770 099	2 665 488	113 191
2015/16	0	0	1 146 756	2 572 929	522 891

2016/17	0	0	1 499 569	2 600 928	600 891
					T3.1.2

#### COMMENT ON WATER USE BY SECTOR:

Musina Local Municipality does not supply any water to Agriculture or forestry but only to Industrial/Commercial and Domestic. The municipality maximum water production is 17mg/d, of which 70 percent is used by domestic and 30 percent used for commercial purposes. Treatment process is through sand filtration since water is abstracted from the sand river of Limpopo through boreholes. The municipality supply water 24 hours, seven days a week, with exception of water interruption due to maintenance. Water shortages are experienced during drought seasons, when the pumping efficiency is not at its maximum due to scarcity of water from the source. Part of the challenges include attendance linkages; e.g bulk infrastructure, storage capacity.

### 3.3 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

Musina Local Municipality is a Water Services Provider and Vhembe District Municipality the Water Service Authority for the jurisdictional area of Musina Local Municipality. The Water Services Provider is responsible for operations and maintenance of the Musina water & waste water reticulation scheme. A total of 740 additional VIP toilets were implemented & complete during the year thus improving access to the service. All households have basic access and 86% are on a high level of service. Maintenance team conduct scheduled maintenance work on regular basis and on adhoc basis. Largely our maintenance of the waste water system is informed by system failures along the reticulation chain.

Water Service Delivery Levels					
Description	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual	Actual	Actual No.	Actual No.	Actual No.
	No.	No.			
<b><u>Water:</u> (above min level)</b>					
Piped water inside dwelling	8108	15144	15476	11 636	12 526
Piped water inside yard (but not in dwelling)	0	0	0		
Using public tap (stand pipes )	1837	2478			
Other water supply (within 200m)			2478	1140	1500
<i>Minimum Service Level and Above sub-total</i>	9945				12800

		17622	17954	12776	
<i>Minimum Service Level and Above Percentage</i>	100%	94%	87%		
<b><u>Water:</u> (below min level)</b>					
		1059	1223	2982	3310
Using public tap (more than 200m from dwelling)					
Other water supply (more than 200m from dwelling)		250	230	4284	4364
No water supply					
<i>Below Minimum Service Level sub-total</i>		1182	1453	7266	7389
<i>Below Minimum Service Level Percentage</i>		6%	7%		
<b>Total number of households*</b>	<b>9945</b>	<b>18804</b>	<b>20589</b>		
<b>* - To include informal settlements</b>				T3.1.3	

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

#### INTRODUCTION TO WASTE MANAGEMENT

Musina Local Municipality strives very hard to maintain a clean environment. EPWP workers clean across the streets of the CBD, Township as well as villages and in addition, waste is collected weekly from the doorsteps of the residents. Last year, 95 % solid waste was collected on time. Community participation is paramount in this regard.

The municipality recycles all paper and boxes generated at the Civic Centre and also advocates recycling in schools and throughout the community. Waste management/ environmental awareness and cleaning campaigns are organized on a regular basis in order to ensure that the community is aware of the impacts of waste on their health and wellbeing as well as on the environment. A total of 45 awareness campaigns and 6 cleaning campaigns, were undertaken last year.

Description	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>					
Total households	9945	18804	20654	21054	68934
Households below minimum service level	116	290	810	0	48345
Proportion of households below minimum service level	1.2 %	1.4 %	3.9%	0%	70%
<b>Informal Settlements</b>					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0 %	0%	0%	0%	0%
<b>Households</b>					
Description	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal:</u> (Minimum level)</b>		18804	14760	15601	20589
Removed at least once a week					
<i>Minimum Service Level and Above sub-total</i>	9829	14183	14760	15601	20589
<i>Minimum Service Level and Above percentage</i>	98.8 %	94 %	71.5%	74.1%	30%
<b><u>Solid Waste Removal:</u> (Below minimum level)</b>		290	810	0	0
Other rubbish disposal		95	95	95	0
No rubbish disposal	116	2171	2171	2171	48345
<i>Below Minimum Service Level sub-total</i>	116	290	810	0	48345

<i>Below Minimum Service Level percentage</i>	1.2 %	1.4 %	3.9%	0%	70%
<b>Total number of households</b>	<b>9945</b>	<b>20042</b>	<b>20654</b>	<b>21054</b>	<b>68934</b>

### 3.5 HOUSING

Employees: Housing Services / Community					
Job Level	2015/16	2016/17			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	%
0 – 3	5	3	3	0	0%
4 – 6	22	22	15	7	32%
7 – 9	40	41	22	18	44%
10 – 12	4	4	0	4	100%
13 – 15	12	0	0	0	0%
<b>Total</b>	<b>83</b>	<b>72</b>	<b>42</b>	<b>29</b>	<b>40%</b>

The number of houses allocated to Musina Local Municipality by COGHSTA during 2016/17

Financial year per village is as follow:

NAME OF VILLAGE	NUMBER OF HOUSES ALLOCATED	NUMBER OF COMPLETE HOUSES	NUMBER OF INCOMPLETE HOUSES
MALALE	70	70	0
MADIMBO	40	40	0
TSHIKHUDINI	100	100	0
DOMBONI	30	30	0
TANDA	60	60	0
<b>TOTAL</b>	<b>300</b>	<b>300</b>	<b>0</b>

Musina Nancefield was allocated 200 houses during 2016/17 October as a Special Programs Project for the MEC of Coghsta and the Mayor, and all were completed. Tshikhudini village was allocated 100 and they are 100% complete and 190 allocated to Nancefield Ext 4, 9 and 14.



### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT:

#### COMPONENT B: ROADS AND CIVIL

### 3.7 INTRODUCTION TO ROADS

Musina Local Municipality has a backlog of roads & storm water, since it grows out of portion of settlements established and surfaced road network could not be done during installation of services due to insufficient budget.

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Kilometres
				Gravel roads graded /maintained
2013/14	25	0	1	2
2014/15	54.5	1	1.78	5.0
2015/16	54.5	1	2	6
2016/17	54.5	1	2	6
T3.7.2				

Asphalt Road Infrastructure						Kilometres
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained	
2012/13	77	0	0	0	0	
2013/14	77	0	6	0	2	
2014/15	80.38	1.78	1.6	1.6	494 m2	
2015/16	80.38	2	1.6	1.6	525 m2	
2016/17	80.38	2	1.6	1.6	525 m2	
						T3.7.3

#### COMMENT ON THE PERFORMANCE OF ROADS AND OTHER OVERALL:

Roads and storm water remain a number one priority list in the municipality. Tarring of the new roads is done from own funded capital budget and from the MIG funding. Road and maintenance team has been established in order to maintain roads and storm water infrastructure.

## LIST CHALLENGES

CHALLENGES	REMEDIAL ACTION
1. Tarring on the existing settlements, often find damaging the existing services.	Existing municipal services to be mapped, underground, on the ground and overhead or above the ground - Competent service providers working close to municipal services to be appointed - Master Plan of municipal services to be developed - The above is only possible done by specialist who have equipment and associated software programs - Scope of services for engineers to be adhered and checked properly during project design phase.
2. Ageing road infrastructure.	Master plans for municipal infrastructures to be developed, and, - Related interventions or maintenance plans be developed afterwards - The above is only possible done by specialist who have equipment and associated software programs - Adhoc maintenance to be given priority and need fair budget allocation to be effective.
3. Lack of long term maintenance plan.	- A need to have controlled and managed developments taking into account the demand and the current supply of services - Expedite development charge policy for development to contribute to road infrastructure upgrades - Design criteria and quality control on road constructions to be enforced

Employees: Project/ water and Technical service					
Post Level	2015/16	2016/17			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No.	No.	No.	%
1 - 3	1	1	1	0	0%
4 - 6	3	7	3	4	57%
7 - 9	0	2	0	2	100%
10 - 12	1	2	1	1	50%
Minimum	47	67	47	20	30% <sup>c</sup>
<b>Total</b>	<b>52</b>	<b>79</b>	<b>52</b>	<b>27</b>	<b>34%</b>

## COMPONENT C: COMMUNITY & SOCIAL SERVICES

Community Services is a department that deals with Housing, Library Services, Disaster Management, Licensing and Traffic Law Enforcement Services. Below is a summary of recorded performance:

### 3.8.1 LICENSING

#### Driving Licenses Testing Centre

Total numbers of Driving Licenses tested	1049
Total number of PRDP issued	877
Total number of Leaners licenses tested	1520

#### Vehicle Testing Station

Roadworthy vehicles tested	1439
----------------------------	------

#### Registration Authority

Total Vehicle license disc and renewal issued	8551
Total motor vehicle registered	1759

#### Challenges

- a) Registering Authority (RA) doesn't have control regarding Registration and Licensing of motor vehicle, e.g. PRDP, Renewals of Driving License, M/V and Police Clearance.
- b) Fluctuating demand of roadworthy application and certification of roadworthiness.
- c) Driving license Testing Centre (DLTC) doesn't have control of any application regarding learner's license and driving licence which you can put targets because it fluctuates on a daily basis.
- d) Inadequate eNatis terminals.
- e) Inadequate personnel

### 3.8.2 TRAFFIC

Total number of traffic issued	7 381
Total number of scholar patrol	4
Total number of road safety campaigns	4
Total number of funeral escorts	24
Total number of point duty conducted	Daily
Speed law enforcement conducted	144
Total number of joint operations conducted	48
Total number of internal road blocks conducted	48
Total number of vehicles stopped and inspected	12 600

## **Challenges**

**The challenges encountered during the financial year are as follows:**

Lighting

Road markings and signage

Lack of vehicles

Progression of traffic officers

Traffic Control centre

## **Comments**

As a municipality we dedicated ourselves in giving efficient service delivery in and outside the CBD. Municipal Law enforcement contributes to broader traffic law enforcement interventions in collaboration with other dedicated agencies.

### **3.8.3 LIBRARY SERVICES**

The municipality makes provision of library and information to the community, it also provides guidance and assistance to schools around its jurisdictional area. The municipality has two functional libraries, one in town and another one at Nancefield area.

### **3.8.4 CEMETERIES**

Musina Local Municipality has planned to construct a new cemetery within Musina as the Nancefield Cemetery has almost reached its full capacity. Musina Local Municipality has two cemeteries located in town, each of the villages has their own cemetery.

### **3.8.5 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

For the year under review a dedicated municipal unit was established to coordinate special programmes initiatives in collaboration with other internal and external stakeholders.

Other than the facilitation role that we played we have championed specific youth, gender, disability, HIV/AIDS and senior citizens programmes. We have added a strong advocacy voice aimed at improving the plight of focus groups.

## COMPONENT D: PLANNING AND DEVELOPMENT

### 3.9. LOCAL ECONOMIC DEVELOPMENT

#### 3.9.1 LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

For the 2016/2017 financial year the municipality has realised direct retail stores investments including the new mall, factory shop and expansion of the central business district.

#### 3.9.2 Intermodal facilities

Developments are at an advanced stage to realise regional economic integration projects through Musina to Africa Strategic Supply.

As a special economic zone Musina stands to increase its contribution to the provincial and national GDP arising from direct private and public investment ventures.

Musina Municipality and Musina town in particular also benefits from an advantageous strategic location in relation to the N1 and the Beitbridge and Pongorwa border posts. This creates opportunities for this locational benefit to be exploited and marketed to potential investors, in order to attract larger enterprises. Furthermore, by capitalizing on its location and improving its transport and logistics services to ensure the reliable movement of goods and services, the Municipality can reduce transaction costs for investors.

For the year under review the below mentioned projects were implemented by the municipality contributing to the local economic development in the affected area:

1. Madimbo Extension of Thusong Centre
2. Renovation of Nancefield Community Hall
3. Domboni Satellite office
4. Nancefield construction of Gymnasium
5. Nancefield Extension 6 sports centre
6. Nancefield Community High mast lighting.
7. Nancefield construction of internal roads
8. Electrification of Extension 14
9. Construction of roads in Extension 14 and Musina town.
10. EPWP project in waste management.
11. Farm J infrastructure development
12. LED strategy review

The municipality was able to complete 10 of the projects in time with 100 % expenditure. The other two will be completed in December 2016.

Sector	2013/14	2014/2015	2016/2017	2016/2017
	No	No	No	No
Agric, forestry and fishing	54%	54%	54%	54%
Mining and quarrying	18%	18%	18%	18%
Manufacturing	5%	5%	5%	5%
Wholesale and retail trade	6%	6%	6%	6%
Finance, property, etc.	4%	4%	4%	4%
Govt, community and social services	23%	23%	23%	23%
Infrastructure services	2%	2%	2%	2%
Total				
<b>SOURCE: STATS SA 2011 AND COMMUNITY SURVEY 2007.</b>				

### 3.9.3 COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality has created 168 jobs through EPWP projects. One of the critical challenges in the creation of jobs is inadequate skills levels of the local job market as well as preferences mostly in the Agriculture sector in our area to employee foreign nationals for unskilled and semi-skilled work opportunities.

Jobs Created during 2015/16 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.	
2012/13	563	0	563	Implemented projects which are monitored by the LED section
2013/14	565	0	565	
2014/15	913	0	913	
2015/16	1251	0	1251	
2016/17	1419	0	1419	This includes EPWP in all sectors and CWP.

<b><i>Training of people in essential skills</i></b>	<b>Number of people trained (including retrained unskilled)</b>
2012/13	280
2013/14	224
2014/15	238
2015/16	463
2016/17	631

### **Challenges and Opportunities**

This entails problems that currently experienced by the local authority and have a bearing in land development matters in general. In addition, opportunities to that effect are also tabled in order to privilege the community with possible opportunities the municipality is likely to harness.

#### **Challenges**

- Disposal of Municipal land by unauthorized people,
- No land use management tools,
- Inadequate business and industrial sites,
- Limited budget for settlement planning, formalization and lack of enforcement capacity to manage it,
- Mushrooming of informal settlements,
- Poorly managed government owned properties.
- Land invasion

#### **Opportunities**

- Agriculture potential
- Is a provincial growth point
- Is a host to strategic roads, i.e. the R25, N11 that provide accessibility to major urban centres
- Availability of municipal land for development.

## COMPONENT E: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN ANNUAL PERFORMANCE PROGRESS

DEPARTMENT: MUNICIPAL MANAGER'S OFFICE

Priority area(IDP)	Project Name	Key performance indicator	Baseline	16/17 Annual Target	Q 1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
SPECIAL PROGRAMME														
Special Programmes	Batho pele	Number of Batho pele held	1	1	0	1	0	0	1	1	0	None	None	Notices, Attendance register, invitation, programme/agenda
Special Programmes	Imbizo	Number of Imbizo held	4	4	1	1	1	1	4	4	0	None	None	Attendance register, invitation, programme
Public Participation	Ward Committees	Number of total Ward Committee Meetings Held	72	72	0	0	33	24	57	57	-15	Wards were not yet established due to Municipal elections	Ward Committee meetings scheduled will be incorporated into a corporate calendar	Notice of Meetings; Attendance register and minutes of the meetings.
Public Participation	Ward Committees	Number Ward General Meetings held	24	24	0	15	24	12	51	24	+27	due to Municipal elections, Many issues needed to be addressed in terms of new wards establishment	Ward general Committee meetings scheduled will be incorporated into a corporate calendar	Minutes and Registers of Ward General Meetings.
Special Programmes	Mandela day	Number of Mandela days celebrated	1	1	1	0	0	0	1	1	0	None	None	Photos, memos, invoices
Special Programmes	Human rights day	Number of Human rights days celebrated	1	1	0	0	1	0	1	1	0	None	None	Memos, Attendance register, agenda/ programme invitation
Special Programmes	Freedom day	Number of Freedom days celebrated	1	1	0	0	0	0	1	1	0	None	None	Memos, attendance register



Special Programme s	Women's day	Number of Women's days celebrated	1	1	0	0	0	0	1	1	0	None	None	Attendance registers, Agenda/ programme, memos.
Special Programme s	Back to school campaigns	Number of Back to school campaigns conducted	15	13	0	0	13	0	13	13	0	None	None	Memos, Attendance Register
Special Programme s	Mayoral bursaries	Number of Mayoral bursaries awarded	12	12	0	0	11	0	11	12	0	None	None	Memos, Attendance register
Special Programme s	Marathon	Number of marathons coordinated	1	1	1	0	0	0	1	1	0	None	None	Application form, Memos, photos, newsletter clips, Gazette
Special Programme s	Winter games	Number of Winter games coordinated	1	1	1	0	0	0	1	1	0	None	None	Memos, fixture, photos
Budget	Mayoral Budget Speech	Number of Budget Speech held	1	1	0	0	0	0	1	1	0	None	None	Memos, attendance register, Agenda/ programme and invitation
Special Programme s	Gender forum programme s	Number of Gender Activities Conducted	3	3	2	1	0	0	3	3	0	None	None	Attendance Register, memo
Special Programme s	Senior citizens' day	Number of Senior citizens' days celebrated	3	3	2	2	0	0	4	4	+1		None	Attendance register
Special Programme s	Children's day	Number of Children's days celebrated	3	3	0	2	0	1	3	3	0	None	None	Attendance register
Special Programme s	Moral regeneration programme s	Number of Moral Regeneration Activities Conducted	3	3	0	2	1	0	3	3	0	None	None	Attendance register

Special Programme s	Disability day	Number of Disability days celebrated	3	3	2	2	5	0	9	9	+6	None	None	Attendance register
Special Programme s	HIV/AIDS council programme s	Number of HIV / AIDS Activities Conducted	3	3	0	2	1	0	3	3	0	None	None	Invites, Registers and Procurement Records
Special Programme s	World AIDS day	Number of World AIDS day celebrated	1	1	0	1	0	0	1	1	0	None	None	Invites, Registers and Procurement Records
Special Programme s	Municipal Public Accounts Committee (MPAC) activities	Number of MPAC (Municipal Public Accounts Committee) meetings coordinated	5	5	0	1	8	2	11	11	+6	The council approved annual programme necessitated that the committee meets more than initially targeted	The scope and focus of the oversight function must be aligned to the schedule of the oversight committee	Attendance register and Minutes
Special Programme s	Youth Council Programme	Number of Youth Council Programme conducted	3	3	0	1	0	2	3	3	0	None	None	Memos, Attendance register
Special Programme s	Youth day	Number of youth day celebrated	1	1	0	0	0	1	1	1	0	None	None	Memos, Attendance register
Communication management	Communication strategy	Number of communication strategy reviewed	1	1	0	0	0	1	1	1	0	None	None	Reviewed communication strategy and attendance register
Communication management	Media and marketing	Number of radio and newspaper features	96	96	39	52	45	24	160	181	+64	High demand	None	Radio script and newspaper cutting
Communication management	Stakeholder relation	Number of communicators forums	4	4	1	1	1	1	1	1	0	None	None	Attendance register
Communication management	Diversify communication systems	Number of bulk SMS's, facebook website issued	96	96	108	95	95	24	322	205	+226	High demand of occasions	None	Bulk sms print-outs

Communication management	Communication strategy	Number of communication strategy reviewed	1	1	0	0	0	1	1	1	0	None	None	Reviewed communication strategy and attendance register
Communication management	Media and marketing	Number of radio and newspaper features	96	96	39	52	45	24	160	181	+64	High demand	None	Radio script and newspaper cutting
Communication management	Stakeholder relation	Number of communicators forums	4	4	1	1	1	1	1	1	0	None	None	Attendance register
Communication management	Diversify communication systems	Number of bulk SMS's, facebook website issued	96	96	108	95	95	24	322	181	+226	High demand of occasions	None	Bulk sms print-outs

Priority area(IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
			RISK MANAGEMENT											
Risk Management	Risk management services	Number of risk register developed	1	1	0	0	0	1	1	1	0	None	None	1 Risk register
Risk Management	Risk management services	Number of risk management reports	4	4	1	1	1	1	1	1	0	None	None	Risk management report Audit committee minutes Council resolution
Risk Management	Risk management services	Number of Risk Committee meeting coordinated	4	4	1	1	1	1	1	1	0	None	None	Minutes and attendance registers
Risk Management	Risk management services	Number of reviewed Risk Management policy	1	1	0	0	0	1	1	1	0	None	None	Risk management policy

Priority area(IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
Risk Management	Risk management services	Number of reviewed Risk Management strategies	1	1	0	0	0	1	1	1	0	None	None	Risk management strategy
Risk Management	Risk management services	Number of antifraud and corruption policies reviewed	1	1	0	0	0	1	1	1	0	None	None	Number of antifraud and corruption policy
Risk Management	Risk management services	Number of security policies reviewed	1	1	0	0	0	1	1	1	0	None	None	Reviewed security policy
Risk Management	security reports	Number of times the security reports to be developed	4	4	0	1	1	1	4	4	0	None	None	Security reports
Risk Management	monthly meetings	Number of times monthly meetings coordinated	12	12	0	3	2	0	5	3	-7	Non adherence to time schedule	Enforcement of meeting schedule. Forward planning in terms of issuing notices, reminders and where meetings do not materialise expediting alternate dates.	Attendance Register, Minutes
Project Name	Key performance indicator	Baseline	2016/17 annual target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	Total Annual Performance	Variance		Reason for Variance		Measures to Improve performance	Means of verification
	INTERNAL AUDIT													
Effective Internal audit	Number of Internal audit plans approved	1	1	0	0	0	1	1	1	1	0	None	None	Audit Committee Approved Internal audit plan
Effective Internal audit	Number of internal audit projects completed	9	9	3	2	2	1	1	1	1	0	None	None	Internal Audit report  Audit committee minutes

Priority area(IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
Effective Internal audit	Number of internal audit reports produced	4	4	1	1	1	1	1	1	1	0	None	None	Audit committee approved Reports
Effective Internal audit	Number of Audit Committee meetings coordinated	4	4	1	1	1	1	4	4	4	0	None	None	Attendance register, minutes
Effective Internal audit	Number of audit methodology reviewed	1	1	0	0	0	0	1	1	1	0	None	None	Reviewed audit methodology. Audit committee minutes
Internal audit	Effective Internal audit	Number of Audit committee charters reviewed	1	1	0	0	1	1	1	1	0	None	None	Council resolution  Approved Audit committee charter
Internal audit	Internal Audit charters reviewed	Number of Internal Audit charters reviewed	1	1	0	0	0	1	1	1	0	None	None	Audit committee approved internal audit charter
Internal audit	Coordination of external audit (AGSA) processes.	percent of request and queries responded timeously	100	100	0	0	100%	0	100%	100%	0	None	None	Auditor General Request register
Internal audit	audit action plans	Number of audit action plans developed and approved	1	1	0	0	1	0	1	1	0	None	None	Action plan 13/14 financial year audit  Audit committee approval of the action plan
Internal audit	Resolution of audit findings	Number of 15/16 financial year audit findings resolved as per the action plan how many resolved??	19	33	0	0	0	27	27	19	-6	Non adherence to time schedule	Incorporate in the corporate calendar	Tracking documents for request of information and management responses to audit findings

## DEPARTMENT: COMMUNITY SERVICES

Priority Area (IDP)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
	LICENSING													
Licensing	Established Helpdesk	Number of established Helpdesk	New	1	0	1	0	0	1	0	0	None	None	
Licensing	Testing learners licenses	Number of learners licenses tests administered	96	96	25	25	23	22	95	179	-1	Low demand	Adjust the target to reflect the changing need for the services. Increase the number of days in a week when this services is provided.	Statistics report RD 329
Licensing	Roadworthy test	Number of motor vehicles tested	1200	1200	397	387	395	270	1449	2172	+249	High demand	Adjust the target to reflect the changing need for the services. Increase the number of days in a week when this services is provided.	RD 329
Law enforcement	Speed check	Number of Speed Enforcement conducted	96	96	24	8	18	35	85	96	-11	Low demand	None	Speed check Reports  Schedule of speed checks
Traffic	Scholar patrol	Number of Scholar Patrols conducted	4	4	1	1	9	10	21	4	+17	High demand	None	Scholar patrol Reports  Schedule of scholar patrols
Traffic	Road block	Number of Road Blocks conducted	48	48	12	12	3	6	33	48	-15	None	None	Roadblock Reports  Approval note Deployment plan Operational plan

Road Marking	Maintenance and easy access of the road infrastructure	Kilometres of all traffic routes marked	20KM	20KM	0	0	0	0	0	20km	-20KM	The work was done on marking routes, pictures were not enough to verify the 20km	Ensure supporting documents depicts the kilometres performed	Quarterly operations and maintenance reports
Road signage	Installation of road signage	Number of signboards installed	40	40	10	10	15	10	45	30	+5	High demand due to accidents	Establish a dedicated team that focuses on road signage and markings maintenance.	Quarterly signboards reports
Traffic	firearms and pouches purchase	Number of firearms and pouches procured	New	15	0	0	0	17	17	Not Applicable	+2	Dealer special	None	Purchasing order
Traffic	Arrive alive campaigns	Number of arrive alive campaigns conducted	4	4	1	1	3	1	6		+4	High demand	None	Arrive alive campaign Report
Social	Crime Prevention Workshops	Number of Crime Prevention Workshops held	2	1	0	0	0	1	0	0	None	None	Collaborate and partner with organisations that operate within the crime prevention field.	Workshop Report
Social Services	new enrolments on the housing waiting list	Number of new enrolments on the housing waiting list	368	1200	300	300	300	300	1500	700	+300	More application received	None	List of beneficiaries
Disaster	Food parcels/ grocery, clothing and blankets	Number of Food parcels, grocery and blankets delivered	4	4	1	1	10	1	13	5	+9	More disaster implications	Adjust the target to reflect the changing need for the services.	Inventory list
Social	satellites office visits	Number of satellites office visits	8	4	1	1	1	1	4	4	0	None	None	Schedule of sallites visits
Social services	MOU Review	Number of MOU reviewed	1	1	0	0	0	1	1	1	0	None	None	MOU Council Resolution

Disaster	Disaster Plan	Number of council approved disaster management plan	1	1	0	0	0	1	1	1	0	None	None	Existing DMP
WASTE MANAGEMENT, PARKS & RECREATIONS														
Waste Management	Maintenance	Number of parks maintained in Nancefield	2	2	2	2	2	2	2	2	0	The parks where cleaned periodically however due to structural defects, damage to fence and park equipment the target is not reached	Amend the technical description to indicate isolate maintenance on parks that is for the responsibility of the division and those that area responsibility of civil services	Site visits reports, pictures and completion certificates
Waste Management	Maintenance	Number of resuscitation Town parks	2	2	0	0	0	0	1	0	-2	Lack of funds to procure fencing for the 2 parks	Ensure that park is properly fenced before and further resuscitation is done	Maintenance schedule and pictures
Waste Management	Illegal dumping	Number of clean up campaigns conducted	6	6	2	3	0	1	6	9	0	More areas requiring cleaning	None	Attendance register for volunteer
Waste Management	Illegal dumping	Number of awareness campaigns conducted	16	16	23	4	18	0	45	39	+29	More educational need on the awareness for the community	Collaborate and partner with organisations that operate within the environmental management field. Intensify messaging on various platforms.	Attendance register for participants
Waste Management	Repairs	Repair of toilets at Nancefield Park	7	7	0	0	0	0	0	0	-7	Lack of funds	Consider budget allocation	



## DEPARTMENT: CORPORATE SERVICES

Priority area(IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
LEGAL SERVICES														
Legal Services	By-laws development	Number of By-laws gazetted	4	4	0	0	0	4	4	1	0	None	None	Reports and By-Laws  Public Participation Report  Notices  Council Resolution
Legal Services	Gazetting of By-Laws	Number of By-Laws developed and reviewed	4	4	0	2	0	0	2	3	-2	Department of COGHSTA still verifying and certifying the 2 bylaws	Rationalise all former Mutale and Musina Bylaws	By-laws gazetted  Notice / Advert
Legal Services	Compliance and vetting of Policies	Number of policies vetted	40	20	1	3	5	33	42	11	+22	Other case were amended due to new municipal grading	Rationalise and vet all policies	Review Report  Vetting Process Plan
Legal Services	legal cases initiated or defended	Number of legal cases initiated or defended	12	4	0	1	1	0	2	4	-2	No cases referred in some quarters	None	
Legal Services	Contracts development	Number of contracts developed and agreements	19	16	4	7	4	4	19	12	+3	Other contracts were amended due to new municipal grading	Adjust the target to reflect the changing need for the services.  Align target setting to realistic anticipated services in the financial year.	Contract Register  Signed Contracts
Legal Services	legal opinions provided	Number of legal opinions provided	3	4	0	1	1	0	2	1	-2	Less cases provided	Adjust target to reflect the need	Contract Register  Signed Contracts

Legal Services	Land Valuation	Number of supplementary Valuation developed	1	1	0	0	0	1	1	1	0	None	None	Supplementary Valuation
Legal Services	verification consultation session	Number of owner verification consultation session of former mine house without title deeds, Messina Ext 5, 6 & 7	New	3	1	0	2	0	3	Not Applicable	0	None	None	Attendance register
Legal Services	Council	Number of ordinary council meetings held	6	6	2	2	2	1	7	6	+1	More matters in the financial to align with the new municipal grading	None	Agenda, minutes
Legal Services	Council	Number of Special council meetings held	3	2	2	2	1	0	5	5		New municipal demarcation	None	Agenda, minutes
Legal Services	consultation	Consultation, transfers of properties at Ext 5, 6 & 7.	New	250	0	0	0	250	250	Not Applicable	0	None	None	Transfer letters
Legal Services	Litigation Register	Litigation Register	12	12	3	3	3	3	12	Not Applicable	0	None	None	Copy of litigation register
Legal Services	policies and manuals	Number of policies and manuals developed	New	2	0	0	0	2	2	Not Applicable	0	None	None	Copy of policies, Council resolution
Legal Services	contract register	Number of contract register developed	12	4	1	1	1	1	4	12	0	None	None	Copy of contract register
Legal Services	Council	Number of council committee meetings held	New	4	1	4	1	1	7	Not Applicable	+3	More matters in the financial to align with the new municipal grading	None	Attendance registers, minutes, agendas
Administration	Departmental management	Number of Departmental management meetings held per time frames	3	4	1	1	1	1	4	4	0	None	None	Agenda, minutes

Administration	Departmental management	Number of Departmental general meetings held	4	4	1	1	1	1	4	4	0	None	None	Agenda, minutes
Administration	Records management policy	Number of Records management policy reviewed	1	1	0	0	0	1	1	1	0	None	None	Adopted Reviewed Records management policy  Council resolution
Administration	filing plan	Number of filing plan reviewed	1	1	0	1	0	0	1	1	0	None	None	Draft record management policy, Council resolution, LLF Minutes, Notice and employee consultative meeting, attendance registers
Administration	Contract manager Rental-external equipment	number of management of photocopying machines	12	3	3	3	3	3	12	12	0	Adjust the target to reflect the identified need taking into account the municipal growth.	None	Invoices paid monthly
Administration	cleaning services	Number of cleaning services coordinated	New	12	3	3	3	3	12	12	0	None	None	Cleaning registers
Administration	cleaning services	Number of hygiene equipment installed	New	13	0	0	0	0	0	0	-13	Lack of funds	Consider budget allocation	Specifications, Appointment letter, Invoice and proof of payment
Administration	Service standards	Number of service standards developed	1	1	0	0	0	1	1	Not Applicable	0	None	None	Draft service standard developed

Administration	Complains suggestion boxes	Number of complains and suggestion boxes/ system installed	New	3	0	0	0	0	0	0	-3	Lack of funds	Consider budget allocation	Specifications, Appointment letter, Invoice and proof of payment
----------------	----------------------------	--	-----	---	---	---	---	---	---	---	----	---------------	----------------------------	--

Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	Total Annual Performance		Variance	Reason for Variance	Measures to Improve performance	Means of verification
HUMAN RESOURCE MANAGEMENT														
Human Capital Management	LLF meetings	Number of LLF meetings held	4	4	1	1	1	1	4	4	0	None	None	Minutes
Human Capital Management	LLF meetings	Number of LLF meetings coordinated	4	4	1	1	1	1	4	4	0	None	None	Minutes
Human Capital Management	Employee Wellness (Assistance) Programme	Number of Employee Wellness Interventions implemented	1	4	1	1	1	1	4	4	0	None	None	Reports
Human Capital Management	Training of employees	Number of employees trained as per workplace skills plan (WSP)	100	100	0	6	40	0	46	101	-54	Training through grand funding from LGSETA	Align targets to planned training for the year	Training Reports
Human Capital Management	Workplace Skills Plan	Number of WSP submitted to LGSETA	1	1	0	0	0	1	1	1	0	None	None	Copy and approval and proof of submission

Human Capital Management	Training Reporting	Number of Monthly Training reports submitted to LGSETA	12	12	3	3	3	3	12	12	0	None	None	Proof of tabled reports to LLF or Training Committee. Proof of training Report Submission to the applicable SETA
Human Capital Management	implementation of the compliance register	Number of compliance register in line with the Occupational Health and Safety Act	4	4	2	1	1	0	4	4	0	None	None	Reports
Human Capital Management	Employment Equity planning and reporting	Number of employment equity report submitted to Department of Labour (DoL)	1	1	0	0	1	0	1	1	0	None	None	Equity reports  Confirmation of submission.
Human Capital Management	organizational structure	Number of organizational structure reviewed	1	1	0	0	0	1	1	1	0	None	None	Council resolution
Human Capital Management	job description	Number of job description developed	443	20	0	10	5	355	370	Not Applicable	+350	Every employee have to amend the JD	Align target to filled positions	Job descriptions developed.
Human Capital Management	positions filled	Number of positions filled	443	20	0	0	0	0	0	Not Applicable	-20	No positions advertised in the financial year	Prioritise to fill vacant positions	Signed appointment letter, interview score sheets.
Human Capital Management	competency assessment	competency assessment, vetting and screening conducted	New	2	0	0	0	0	0	Not Applicable	-2	No critical post filled in the financial year	Prioritise to fill critical posts	Assessment document from service provider
Human Capital Management	of human resource management policies	Number of human resource management policies reviewed	New	1	0	0	0	1	1	1	0	None	None	Council resolution
Human Capital Management	local labour forum	Number of local labour forum training conducted	New	1	0	1	0	1	1	1	0	None	None	minutes of council & LLF meeting, Council Resolution
Human Capital Management	supervisory training	Number of supervisory training conducted	New	1	0	0	0	1	1	Not Applicable	0	None	None	minutes of council & LLF meeting, Council Resolution

Human Capital Management	alarm exit plan	Number of fire exit plan, alarm and detectors purchased	New	1	0	0	0	1	1	Not Applicable	0	None	None	Approved fire exist plan
Human Capital Management	fire equipment	Number of fire equipment maintained	New	10	0	10	0	0	10	Not Applicable	0	None	None	Fire equipment maintained stickers
Human Capital Management	inspection	Number of inspections conducted	New	4	1	35	1	1	38	Not Applicable	+34	More constructions in the financial year requires compliance	None	Inspection reports
Human Capital Management	protective clothing	Number of protective clothing purchased	New	150	31	14	50	200	295	Not Applicable	+145	All general employees required new protective clothing	Align target to actual general workers	Acknowledgement form, invoice, purchasing order
Human Capital Management	safety committee meetings	Number of safety committee meetings coordinated	New	4	1	1	1	1	4	Not Applicable	0	None	None	Agendas, Minutes, Attendance register
Human Capital Management	medical surveillance	Number of medical surveillance conducted	New	100	25	25	25	25	100	Not Applicable	0	None	None	Medical fitness certificate
Human Capital Management	study bursary	Number of study bursaries	6	12	0	9	0	0	9	Not Applicable	-3	Lack of funds	Prioritise employees career development	Schedule and proof of registration of successful students
Human Capital Management	Learnership Programme	Number of Learnership Programme	122	150	37	30	37	0	104	Not Applicable	-46	Unexpected number of learners registered	Align target with available number of community graduates for that year	Schedule and proof of registration of successful students
Human Capital Management	training bursary policy	Number of training bursary policy reviewed	1	1	0	0	0	1	1	1	0	None	None	Training and bursary policy, Council resolution
Human Capital Management	employment equity target groups in 3 highest level on management	Number of people from employment equity target groups in the 3 highest level on management	1	1	0	0	0	0	0	0	-1	Non application by people from employment equity target groups	Headhunt people from employment equity target groups	Signed appointment letter, interview

Priority area(IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
INFORMATION TECHNOLOGY														
Integrated IT Services	Meetings	Number of ICT Steering Committee Meetings coordinated	4	4	0	0	0	0	0	0	-4	Non availability of members	ICT Steering Committee meetings schedule will be incorporated into a corporate calendar	Minutes
Integrated IT Services	IT Hardware  (Procurement hardware equipment )	Number of ICT hardware and software supplied	30	30	0	0	0	30	30	0	0	None	None	Invoices
Integrated IT Services	software	Number of VOIP and Network Infrastructure installed	120	120	120	120	120	120	120	120	0	None	None	Systems report
Integrated IT Services	software	Number of municipal website maintained and updated	12	12	3	3	3	3	12	12	0	None	None	Systems report
Integrated IT Services	software	Internet and email services connectivity	12	12	3	3	3	3	12	12	0	None	None	Systems report
Integrated IT Services	software	Number of Server room maintained	4	4	1	1	1	1	4	4	0	None	None	Systems report
Integrated IT Services	software	Number of telephone management system maintained	12	12	3	3	3	3	12	12	0	None	None	Systems report
Integrated IT Services	software	Number of contract management operating lease for computer	12	12	3	3	3	3	12	12	0	None	None	Systems report

		equipment, VoIP and internet												
Integrated IT Services	software	software licensing	12	12	2	3	3	3	12	12	0	None	None	Systems report
Integrated IT Services	software	Number of ICT policies and procedures reviewed	1	1	0	0	0	1	1	1	0	None	None	Systems report
Integrated IT Services	software	Number of standard operating procedure developed	4	4	0	0	0	4	4	4	0	None	None	Systems report
Integrated IT Services	software	Number of contract Management of External information services	12	12	3	3	3	3	12	12	0	None	None	Systems report
STRATEGIC OPERATIONS														
Organisation al performance management	Performance Agreements	Number of performance agreement MSA section 54 & 56 with completed and signed.	6	6	6	0	0	0	6	6	0	None	None	Signed performance agreement and proof of submission
Organisation al performance management	Performance assessment / Evaluation	Number of performance reports assessed	1	1	1	0	0	0	1	1	0	None	None	Assessment Report
Organisation al performance management	Planning	Number of Strategic Planning Session coordinated	2	2	0	1	1	0	2	2	0	None	None	Strategic Planning Report Council resolution
performance management	performance management cascading policy	Number of performance management cascading policy developed	1	1	0	0	0	1	1	1	0	None	None	Performance framework policy
Organisation al	Development of 2016/2017 Service Delivery and	Number of Organizational Service Delivery and Budget	1	1	0	0	0	1	1	1	0	None	None	Copy of Organizational Service Delivery and Budget



performance management	Budget Implementation Plan (SDBIP)	Implementation Plan (SDBIP) developed.												Implementation Plan (SDBIP)
Organisational performance management	Mid-Year Review of 2014/2015 Service Delivery and Budget Implementation Plan (SDBIP)	Number of Organizational Service Delivery and Budget Implementation Plan (SDBIP) reviewed.	1	1	0	0	0	1	1	1	0	None	None	Council resolution
Organisational performance management	Production of organizational performance report and project monitoring report.	Number of project monitoring reports produced	4	4	1	1	1	1	1	1	0	None	None	Copy of Projects monitoring reports
Monitoring and Evaluation	Production of outcome 9 and Local Government Turnaround Strategy (LGTAS)	Number of Outcome 9 and Local Government Turnaround Strategy (LGTAS) reports coordinated and produced	4	4	1	1	1	1	4	4	0	None	None	Back to basics reports
Reporting	Annual Performance Report	Number of Annual Performance Reports Developed	1	1	0	0	0	1	1	1	0	None	None	Copy of Annual Performance Reports
Reporting	Annual Report	Number of Annual Report Developed and Tabled	1	1	1	0	0	0	1	1	0	None	None	Council resolution
Oversight	Oversight report on the Annual report	Number of Council approved oversight report	1	1	0	0	1	0	1	1	0	None	None	Council resolution
Reporting	Mid-Year Performance Report	Number of Mid-Year Performance	1	1	0	0	1	0	1	1	0	None	None	Council resolution

		Report Tabled and Assessed												
performance management	performance management framework	performance management framework reviewed	1	1	0	0	0	1	1	1	0	None	None	Council resolution
Reporting	Back to Basics	Number of Back to Basics Action plans developed	1	1	0	0	0	1	1	1	0	None	None	Acknowledgement letter form COGHSTA
Reporting	Back to Basics	Number of Monthly and Quarterly Back to basics reports developed	12	12	3	3	3	3	12	12	0	None	None	Acknowledgement letter form COGHSTA

#### DEPARTMENT: FINANCE

Priority Area(IDP)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	16/17 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of Verification
BUDGET														
Budget and Reporting	Submit budget for approval by Council	Submission of budget time schedule to council	1	1	1	0	0	0	1	1	0	None	None	Council resolution Agenda Minutes Attendance Register Notice Draft Budget Final Budget
Budget and Reporting	Treasury Guidelines	Compliance of Treasury Guidelines	12	12	3	3	3	3	12	12	0	None	None	Council resolution Draft Budget Final Budget
Budget and Reporting	Municipal Budget spent	Percentage of Municipal Capital Budget spent of capital projects	New	100%	0	0	0	100%	100%	100%	0	None	None	Agenda Draft Budget Final Budget

Budget and Reporting	Municipal Budget spent	Percentage of Municipal Budget spent on workplace skills plan	New	100%	0	0	0	100%	100%	100%	0	None	None	Minutes Draft Budget Final Budget
REVENUE														
Revenue Management	revenue enhancement	Development of revenue enhancement strategy	New	1	0	0	0	0	0	0	-1	Non adherence to time schedule	Putting relevant measures to ensure it is obtained	Council resolution
Revenue management	Enhance compliance with legislation and improve financial viability	Number of monthly billings	12	12	3	3	3	3	12	12	0	None	None	System report
Revenue Management	Write off all qualifying debts from our debtors book	Irrecoverable debts written off	1	1	0	1	0	0	1	1	0	None	None	Council resolution and system reports
Revenue Management	awareness campaigns	awareness campaigns conducted for payment services	New	4	0	0	0	0	0	0	-4	Non adherence to time schedule	Clap this with the Imbizo sessions	Imbizo Attendance register
Revenue Management	Free service	Free service	12	12	3	3	3	3	12	12	0	None	None	System report
Revenue Management	convectional electricity metres for residential properties to prepaid	Convert all convectional electricity metres for residential properties to prepaid	New	300	0	0	0	0	0	0	-300	Technical Department function	Ensure that the indicator is functioned in the sufficient department, i.e Technical	System report
Revenue Management	awareness campaigns	Conduct awareness campaigns for meter reading	New	4	0	0	0	0	0	0	-4	Non adherence to time schedule	Clap this with the Imbizo sessions	Imbizo Attendance register

Revenue Management	household with access of basic level of water, sanitation, electricity, and solid waste removal	Percentage of household with access of basic level of water, sanitation, electricity, and solid waste removal	New	100	0	0	0	100	100%	100%	0	None	None	System report
Revenue Management	households earning less than R1100 per month with access to free basic services	Percentage of households earning less than R1100 per month with access to free basic services	New	100	0	0	0	100	100%	100%	0	None	None	System report
EXPENDITURE MANAGEMENT														
Expenditure Management	Perform payroll runs and reconciliations	Number of payroll runs and reconciliation	12	12	3	3	3	3	12	12	0	None	None	Payslips
Expenditure Management	Perform monthly bank reconciliations	Number of bank reconciliations performed	12	12	3	3	3	3	12	12	0	None	None	Signed bank reconciliation
Expenditure Management	Submit VAT 201 return to SARS monthly	Number of VAT 201 returns submitted	12	12	3	3	3	3	12	12	0	None	None	Proof of submission to SARS
Expenditure Management	expenditure analysis	Number of expenditure analysis report	12	12	3	3	3	3	12	12	0	None	None	expenditure analysis report
Expenditure Management	Update supplier database once a year	Number of supplier information session	1	1	0	1	0	0	1	1	0	None	None	Proof of advertisement and updated database
Expenditure Management	creditors balance	Reduce number of creditors balance	12	12	3	3	3	3	12	12	0	None	None	creditors balance
Expenditure Management	expenditure reports	expenditure reports	12	12	3	3	3	3	12	12	0	None	None	expenditure reports

SUPPLY CHAIN AND ASSET MANAGEMENT														
Supply chain and Asset Management	unbundling impairment infrastructure assets	Unbundling/ impairment infrastructure assets	New	1	0	0	0	1	1	1	0	None	None	Council Resolution
Supply chain and Asset Management	redundant assets	Submission of redundant assets reports to council	New	1	0	0	1	0	1	1	0	None	None	Council Resolution
Supply chain and Asset Management	assets reports to council	assets reports to council	New	4	1	1	1	1	4	4	0	None	None	Council Resolution
Supply chain and Asset Management	Disposal of assets	Disposal of assets	New	4	1	1	1	1	4	4	0	None	None	Asset register
Supply chain and Asset Management	supplier information session	Number of supplier information session	1	1	1	0	0	0	1	1	0	None	None	Attendance register
Supply chain management	Monthly Stock taking	Number of stock take conducted	12	12	3	3	3	3	12	12	0	None	None	Monthly reports
Asset management	Quarterly Asset verification	Number of Asset verification conducted	1	1	0	0	0	1	1	1	0	None	None	Quarterly reports
Asset management	Supplier information	Supplier database update	1	1	0	0	0	1	1	1	0	None	None	System update report j
Supply Chain Management	Evaluate, Adjudicate and award all bids	Percentage of bids evaluated, adjudicated and awarded within 90 days	100%	100%	100%	100%	100%	100%	100%	100%	0	None	None	Minutes of bid meeting, appointment letters, tender register, Tender adverts

Supply Chain Management	Evaluate, Adjudicate and award all bids	Number of SCM officials and Bids committee members trained	New	10	0	10	0	0	10	Not Applicable	0	None	None	Training reports by SDF
FINANCIAL MANAGEMENT														
Financial management	Compilation of GRAP compliant financial statements	Number of GRAP compliant Financial Statements produced	1	1	0	1	0	1	1	1	0	None	None	Audit committee resolution AGSA report
Financial management	reconciliation of general ledger accounts	reconciliation of general ledger accounts	12	12	3	3	3	3	12	12	0	None	None	Section 71 report Proof of submission
Financial management	Financial viability expressed by the ratio indicated in the GNR 796 OF 24 August 2001	Financial viability expressed by the ratio indicated in the GNR 796 OF 24 August 2001	New	12	0	0	0	100%	100%	100%	0	None	None	Section 71 report

## DEPARTMENT: TECHNICAL SERVICES

## TECHNICAL SERVICES

Project No.	Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
-------------	---------------------	--------------	---------------------------	----------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	--------------------------------	--------------------------------	----------	---------------------	---------------------------------	-----------------------

## WATER AND SANITATIONS

Basic service delivery	Green drop	Water quality sampling and monitoring	Number of Samples blue and green drop water quality standards	108	144	27	27	27	27	108	127	-117	Less compliance requirements	Adjust targets in line with statutory requirements	Sample register Lab results
Basic service delivery	maintenance work conducted ( Water supply annually)	Sourcing of Operation & Maintenance supplies (water)	Number of planned and maintenance work conducted ( Water supply annually)	12	20	3	3	3	4	13	387	-7	The targets that were achieved were the planned maintenance which could be physically varied , and the short falls, were the reactive or adhoc maintenance work that were conducted such as breakdowns, which might not be physically verified as such e.g pipe bursts and sewer spillages (unblocking of drains).	All of the routine/adhoc maintenance need to be properly documented or recorded which will be evident for verification	Signed off job cards/progress reports Inventory list of supplies
Basic service delivery	maintenance work conducted (Sanitation Annually)	Sourcing of Operation & Maintenance supplies (Sanitation )	Number of planned and maintenance work conducted (Sanitation Annually)	8	12	2	2	3	3	10	334	-2	The targets that were achieved were the planned maintenance which could be physically varied , and the short falls, were the reactive or adhoc maintenance work that were conducted such as breakdowns, which might not be physically verified as such e.g pipe bursts and sewer spillages (unblocking of drains).	All of the routine/adhoc maintenance need to be properly documented or recorded which will be evident for verification	Signed off job cards/progress reports Inventory list of supplies

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Quarter 1 Actual Performance	Quarter 2 Actual Performance	Quarter 3 Actual Performance	Quarter 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
CIVIL & MACHENICAL ENGINEERING SERVICES														
Basic Service Delivery	Clearing and cleaning of hydraulic structure	Percentage of clean, maintain and reconstruction of hydraulic structures	100%	100% attendance to defects or requirements	50% attendance to defects or requirements	50% attendance to defects or requirement	0	0	100%	100%	0	None	None	Daily and pictorial report
Roads	Construction of Speed humps	Number of speed humps constructed	20	5	0	0	0	5	5	0	0	None	None	Progress Report.  Locations  Inventory register.
Basic Service Delivery	Fleet Machinery	Maintenance of MLM fleet	New	8	2	2	1	1	2	15.56%	-2	Budget constrains	Arrangements are made between sections to use their serviced fleet	Resource commitment job card uninterrupted service delivery
Basic Service Delivery	Routine blading and re-gravelling of internal Roads in Ward 1 to 6	Routine blading and re-gravelling of internal Roads in Ward 1 to 6	300km	300km	0	0	0	0	0	202.1km	0	None	None	Progress report/ completion certificate
Basic Service Delivery	To construct storm-water drainage in Musina	Storm water drainage and bridge maintenance (Cleaning)	2km	2km	0	0	0	0	0	0	0	Weather conditions	Adhere to time schedule	Progress report/ completion certificate
Basic Service Delivery	municipal air-conditioning system	Maintenance and purchase of municipal air-conditioning system	20	10	5	5	0	0	10	Not Applicable	0	None	None	Progress report/ completion certificate



Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Quarter 1 Actual Performance	Quarter 2 Actual Performance	Quarter 3 Actual Performance	Quarter 4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
ELECTRICAL ENGINEERING SERVICES														
Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 Annual Target	Quarter 1 Actual Performance	Quarter 2 Actual Performance	Quarter 3 Actual Performance	Quarter 4 Actual Performance	Total Annual Performance		Variance	Reason for Variance	Measures to Improve performance	Means of verification
Basic Service Delivery	Replacement of copper to aluminium conductor in Nancefield EXT 7	Distance of Replacement of copper to aluminium Conductor done (Nancefield Ext 7 replacement of copper to aluminium conductor)	New	8.5km	0	0	0	3.2 km	3.2 km	8.23km	-5.3km	Replacement was made for the stolen part only	None	Completion certificate

PMU

Priority area (IDP)	Project Name	Key performance indicator	Baseline	2016/17 annual target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of verification
Roads	Nancefield construction of roads	KM road to be constructed by concrete pave Matswale Ext 8 & 14 and Phase 1	2.86km	2 km	0	0	0	1.3km	1.3km	Not Applicable	-0.7km	Some parts were paved in the 15/16 fy	None	Progress report Occupancy certificate Close up report Site Visit Report
Sport Centre	Nancefield Sport centre	Number of Sports Centres to be construction in Nancefield Ext 5 and phase 2	6	1	0	0	0	0	1	Not Applicable	-1	Delays in tender process	None	Progress report Occupancy certificate Close up report Site Visit Report
Sport Centre	Madimbo Sport centre	Number of Madimbo	6	1	0	0	0	1	1	Not Applicable	0	None	None	Progress report

		Sports Centre Phase 2												Occupancy certificate  Close up report  Site Visit Report
PMU	Client help centre constructed	Number of Client help centre constructed	New	1	0	0	0	1	1	Not Applicable	0	None	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
PMU	storm water Channel constructed in Nancefield	Number of storm water Channel constructed in Nancefield	New	1	0	1	1	1	3	Not Applicable	+2	Heavy weather conditions pressed the need for more channels	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
PMU	Tshipise/ MATATANE Road Constructed	Regravelling of Tshipise/ Matatane Road	New	7.1 km	0	0	0	8.9km	8.9km	Not Applicable	+1.8km	Budget allocated for the 8.9 km	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures

**DEPARTMENT: ECONOMIC DEVELOPMENT PLANNING**

Priority Area(IDP)	Project Name	Key Performance Indicator	Baseline	2016/17 Annual Target	Q1 Actual Performance	Q2 Actual Performance	Q3 Actual Performance	Q4 Actual Performance	16/17 Total Annual Performance	15/16 Total Annual Performance	Variance	Reason for Variance	Measures to Improve performance	Means of Verification
	IDP													
Strategy and Planning	IDP, Budget	Number of IDP, Budget process plan approved	1	1	0	0	0	1	1	1	0	None	None	Agenda, Minutes and Council resolution
Strategy and Planning	IDP Forums	4 IDP representative forum conducted	4	4	1	1	1	1	4	4	0	None	None	Agenda, Minutes
Strategy and Planning	Meetings	Number of Steering committee conducted	7	7	0	3	2	2	7	7	0	None	None	Agenda, Minutes
Strategy and Planning	IDP, Budget	Number of council approved 2016/	2	1	0	0	1	0	1	1	0	None	None	Extract of the Council resolutions Copies of public notice, Agenda and

		2017 budget IDP/ Budget												minutes of the meetings together with attendance registers
Strategy and Planning	IDP Rating	Number of COGHSTA 16/17 IDP Credibility Rating results	1	1	0	0	1	0	1	1	0	None	None	MEC Coghsta results reports
Strategy and Planning	Public participation	6 IDP public participation conducted	6	6	0	0	0	6	6	6	0	None	None	Public participation programme, reports and attendance registers from all 6 respective wards
IDP	IDP	Number of final IDP council approved	1	1	0	0	0	1	1	1	0	None	None	Council Resolution
IDP	IDP	Number of draft IDP council approved	6	1	0	0	1	0	1	1	0	None	None	Council Resolution
	TOWN PLANNING													
Town Planning	Street naming policy	Number of street naming and numbering policy developed	New	1	0	0	0	1	1	1	0	None	None	advertisement, appointment letter, service contract, stakeholder engagement and public participation minutes, council resolution
Town Planning	amendment land use management scheme 2016	Number of amendment land use management scheme 2016	1	1	0	0	0	1	1	Not Applicable	0	None	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
Town Planning	town planning vehicle	Number of town planning vehicle purchased	1	1	0	0	0	0	0	Not Applicable	-1	Lack of funds	Consider budget allocation	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
Town Planning	of GIS purchased and installed	Number of GIS purchased and installed	New	1	0	0	0	1	1	Not Applicable	0	None	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
Town Planning	development framework reviewed	Number of spatial development framework reviewed	1	1	0	0	0	1	1	Not Applicable	0	None	None	Council Resolution
	LED													

Economic Development	Promotion of SMME products (exhibitions)	Number of exhibitions coordinated and conducted	4	4	1	1	1	1	5	4	0	None	None	Copies of invitation, programme and attendance register
EPWP	Job Creation and Monitoring	Number of jobs created through EPWP	120	120	0	0	168	0	120	1251	+48	Creating more jobs for youth	Develop a maintenance plan that is reflective of operational trends	Filing of notices, recruitment records and appointments
LED	LED Strategy	Number of LED Strategy reviewed	1	1	0	0	0	1	1	Not Applicable	0	None	None	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures
SMME	SMME developed	Number of SMME developed	New	1	0	0	0	1	1	Not Applicable	0	None	None	Copies of invitation. Attendance register and programme
LED	marketing Brochure	Development of marketing Brochure	New	1	0	0	0	0	0	Not Applicable	-1	Lack of funds	Consider budget allocation	Copies of invitation, attendance register and programme
LED	youth project revitalised	Revitalization of youth project	New	1	0	0	0	0	0	Not Applicable	-1	Lack of funds	Consider budget allocation	Number of beneficiaries in the project, Number of job created and pictures
LED	CBD for street Vendors	Demarcation of CBD for streets for street Vendors	New	1	0	0	1	0	0	Not Applicable	-1	Lack of funds	Consider budget allocation	Council Resolution Tender specification, advert, appointment letter, service contract, designs and pictures

# **CHAPTER 4**

## **ORGANISATIONAL DEVELOPMENT PERFORMANCE**

## COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

### 4.1 HUMAN RESOURCE SERVICES

#### 4.1.1 Human Resource

The Human Resource Division as a strategic partner in the Integrated Development and Planning (IDP) and its implementation, has managed to support all departments in implementing IDP objectives. The division, amongst other areas of support has played a role in administering staff provisioning, personnel maintenance, labour relation, training and development and organizational development during the financial year 2016/ 2017.

#### 4.1.2 Staff Provisioning

In the financial year 2016/17, the Municipality did not fill any position due to the new municipal transition.

#### 4.1.3 Organizational Structure

The Organizational Structure of the Municipality was reviewed and adopted by council for implementation on the 25 May 2017.

#### 4.1.4 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES AND ADMINISTRATION

Employees: Human Resource Services and Admin					
Job Level	2015/2016	2016/2017			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	
0 – 3	3	5	5	0	0%
4 – 6	9	13	7	6	46%
7 – 9	7	10	7	3	30%
10 – 12	1	1	1	0	0%
13 – 15	12	12	11	1	8%
Total	32	41	31	10	24%

#### 4.1.5 Submission of Report the EE Report.

The Municipal Employment Equity Report was successfully submitted to the Department of Labour on the 14<sup>th</sup> January 2017 reporting for 2016/17 financial year.

#### 4.1.6 Training and Development

The Municipality has managed to submit the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to Local Government Sector Education Training Authority (LGSETA) on the 28<sup>th</sup> of April 2017 as required by the LGSETA Financial Year.

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

	Employees: ICT Services				
Job Level	2015/16	2016/2017			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	
0 – 3	1	1	1	0	0%
4 – 6	2	2	1	1	50%
7 – 9	0	0	0	0	0
10 – 12	0	0	0	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
Total	2	3	2	1	33%

	Employees: Finance				
Job Level	2015/16	2016/2017			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	
0 – 3	7	7	7	0	0%
4 – 6	11	11	8	3	27%
7 – 9	32	32	19	13	41%
10 – 12	0	0	0	0	0%
13 – 15	11	0	0	0	0%
16 – 18	0	0	0	0	0%
Total	61	61	34	16	26%

#### 4.2.1 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The Information and Communication Technology (ICT) Unit is charged with a responsibility to acquire, operate and maintain information technology hardware and software. For the subsistence of the financial year the municipality has entered into a supply and maintenance contract for the computer hardware. We have played our role in website design and maintenance, furthermore we have ensured our network and internet connectivity is reliable for daily work processes.

The municipality has made considerable financial investment in maintaining a VoIP system which assists in integrating data and voice systems including network connectivity to 3 off-site offices. In implementing VoIP, we have strengthened controls on telephone usage and curbed excess costs arising from the lack of internal controls. To further strengthen controls we have embarked on in-house regulatory processes to this end we have developed policies on ICT Governance which include a policy framework, user account management, internet use, password, change management, security policy and ICT Equipment Usage Policy. The current workstations and laptops are being maintained in-house until the end of life to reduce costs over a 5 year period.

#### 4.3. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

##### 4.3.1 INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Section is understaffed and as a result the target to review policies and by laws cannot always be reached.

Employees: Property; Legal, Risk and Procurement services					
Job Level	2015/16	2016/17			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No	No	No	
0 – 3	3	2	2	0	0%
4 – 6	7	3	1	2	67%
7 – 9	6	1	0	1	100%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	16	6	3	3	50%



#### 4.3.2 COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

- a).The 2012 to 2017 valuation roll as amended by the 2016 supplementary valuation was implemented.
- b).The municipality has during the year under review facilitated transfer of land and registration of land and property with the applicable authority.

#### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

##### 4.4 Approved and reviewed policies

The municipality has developed numerous policies as a guideline to all officials. The following policies were developed and reviewed during the year under review:

No.	Policy name	Approved	Reviewed	Resolution number
1	Revised human resource management planning policy	✓		11.9.5.2017
2	Revised employment equity policy			11.9.5.2017
3	Draft employment practices policy	✓		11.9.5.2017
4	Draft promotion, transfer, secondment and acting in higher positions policy	✓		11.9.5.2017
5	Draft terminations of services policy	✓		11.9.5.2017
6	Draft attendance and punctuality policy	✓		11.9.5.2017
7	Draft performance management system policy	✓		11.9.5.2017
8	Revised advances and reimbursable policy			11.9.5.2017
9	Revised remuneration policy	✓		11.9.5.2017
10	Revised travel allowance policy	✓		11.9.5.2017
11	Revised overtime allowance policy	✓		11.9.5.2017
12	Draft legal aid policy	✓		11.9.5.2017
13	Draft housing allowance policy	✓		11.9.5.2017
14	Revised leave policy			11.9.5.2017
15	Revised training and development policy	✓		11.9.5.2017
16	Revised succession planning policy	✓		11.9.5.2017
17	Draft internship policy	✓		11.9.5.2017
18	Revised internal bursary policy			11.9.5.2017
19	Draft private work and declaration of interests policy	✓		11.9.5.2017
20	Revised sexual harassment policy	✓		11.9.5.2017
21	Draft intoxicating substances abuse policy	✓		11.9.5.2017
22	Revised HIV/AIDS policy			11.9.5.2017
23	Revised occupational health and safety policy	✓		11.9.5.2017
24	Revised employee assistance programme policy	✓		11.9.5.2017
25	Revised smoking policy	✓		11.9.5.2017
26	Revised grievance procedure policy	✓		11.9.5.2017
27	Revised disciplinary procedure policy	✓		11.9.5.2017
28	Draft incapacity due to poor work performance policy	✓		11.9.5.2017
29	Draft incapacity due to ill-health/injury policy			11.9.5.2017
30	Draft incapacity due to operational requirements	✓		11.9.5.2017
31	Revised human resource management communication policy	✓		11.9.5.2017
32	Revised electronic communication and information security policy	✓		11.9.5.2017
33	Draft records management policy			11.9.5.2017
34	Reviewed draft 2016/2017 fraud and corruption strategy	✓		11.9.5.2017

No.	Policy name	Approved	Reviewed	Resolution number
35	Reviewed draft 2016/2017 risk management policy	✓		11.9.5.2017
36	Reviewed draft 2016/2017 risk management strategy	✓		11.9.5.2017
37	Revised Mayoral bursary Policy	✓		11.9.5.2017
38	Draft policy for indigent burials support	✓		11.9.5.2017

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
None	None	None	None

#### 4.5 Performance management

In MLM, performance management is limited to Section 56 Managers. The municipality has conducted the Mid-year 2016/17 performance assessments for 03 general managers who signed the performance agreements. The mid – year 2016/2017 mid-year assessment was conducted as a measure to detect poor performance at an early stage. Through the session, Directors are offered an opportunity to state their challenges and be assisted by panel members based on those challenges in order to meet their set targets by the end of the financial year. All Section 54 and 56 Managers signed performance agreements and Performance Plans. Progress review of the service delivery and budget implementation plan was done on a quarterly basis.

During the year under review the following officials signed their performance agreements:

##### 4.4.1: Performance agreements

signing of performance agreement		
Officials	signed	not signed
Municipal Manager	✓	
Chief financial officer	✓	
Director: community services	✓	
Acting Director: Infrastructure	✓	
Director: development planning	✓	
Director: Corporate services	✓	

#### 4.6 Pre-Determined Objectives

##### PREDETERMINED OBJECTIVES ANNUAL REPORT 2016/2017 PER DEPARTMENT

The Annual Report depicts an overall 86 % performance against set key performance indicators during the financial year 2016/ 2017, which is a 2% decrease comparing with the 2016/ 2017 financial year.

DEPARTMENT	TOTAL TARGETS	ACTUAL TARGETS	TARGETS PARTIALLY ACHIEVED	TARGETS NOT ACHIEVED	PERCENTAGE ACTUAL TARGETS	PERCENTAGE PARTIAL ACHIEVED	PERCENTAGE NOT ACHIEVED
MUNICIPAL MANAGER	46	43	3	0	93%	7%	0%
FINANCE	33	31	0	2	94%	0%	6%
CORPORATE SERVICES	78	66	6	6	85%	8%	8%
COMMUNITY SERVICES	21	15	4	2	71%	19%	10%
TECHNICAL SERVICES	16	15	1	0	94%	6%	0%
ECONOMIC DEVELOPMENT PLANNING	21	17	0	4	81%	0%	19%
TOTAL	215	187	14	14	86%	7%	7%

#### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

##### 4.7 CAPACITATING THE MUNICIPAL WORKFORCE (SDF)

Municipality has a work skills plan (WSP) that is utilised for capacity building of staff. Each department is requested to forward their training plans to corporate services in May each year, in order to be included in the WSP which serves as a guide as to how many officials should undergo training in the next financial year. The plan is also used to determine the expenditure for training. For the year under review, 55 employees and 7 councillors received different training. The WSP and annual training report were submitted to LGSETA.

Municipality budgeted R510 738 for training and spent R510 738. The variance for the year was R0. Municipality did not mandatory grants in the form of rebates from LGSETA for the year under review.

Musina Local Municipality has Internal and External Study donations available every year for which employees can apply. Preference is given to Municipal related courses.

#### **4.7.1 Budget:**

##### **External Study Donations:**

Budget: (Internal Funding) **Budget R 303 376 Actual R 303 376.**

Private Funding: **00**

##### **Internal Staff Training:**

Budget: **R510 738 Actual: R 510 738**

**Total Expenditure: R 814 114**

LGSETA Reimbursement: **00**

**2016/2017**

##### **INTERNAL STAFF**

<b>Name of Program</b>	<b>Service Provider</b>	<b>Beneficiaries</b>	<b>Number of Beneficiaries</b>	<b>Gender</b>	
				<b>Male</b>	<b>Female</b>
BBA	SBS	Officials	12	2	10
MFMP	University of Pretoria	Officials	2	2	0
Generic Management	Mass Computer	Officials	31	13	18
General Conditions of Contracts	Regents Business School	Officials	4	3	1
<b>Total</b>			<b>49</b>	<b>20</b>	<b>19</b>

##### **External Bursary**

<b>Name of Program</b>	<b>Service Provider</b>	<b>Beneficiaries</b>	<b>Number of Beneficiaries</b>	<b>Gender</b>	
				<b>Male</b>	<b>Female</b>
Degree in communication	Techniven	Learnership	1	1	

Diploma Accounting	University of Limpopo	Learnership	1	1	
BCOM Economics	University of Limpopo	Learnership	1	1	1
Computer Science Degree	University of Limpopo	Learnership	1	1	1
Bcom accounting	Univen & Jeppe College	Learnership	1	1	
Bcom economics	Univen	Learnership	1		1
public management n	University of Limpopo	Learnership	1	1	
degree Political science	University of Johannesburg	Learnership	1	1	
degree human resource	University of Limpopo	Learnership	1	1	
N6 business Managements	Techniven	Learnership	1	1	
LLb degree	Univen	Learnership	1	1	
National diploma public management	Tshwane University of Technology	Learnership	1		1
Degree in communication	Univen	Learnership	1		1
<b>TOTAL</b>			<b>15</b>	<b>10</b>	<b>5</b>

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.8 Employee expenditure

The municipality manages its workforce expenditure very well, as we have policies in place such as overtime policies, and travelling allowance policies, that are complied with before any expenditure can be incurred. MLM has the organisational structure that is aligned to the IDP and budget, to ensure that all workforce expenditure has been budgeted for.

# **CHAPTER 5**

## **FINANCIAL PERFORMANCE**

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION

The Musina Local Municipality strives to ensure an effective and efficient administration, and has provided the following components for discussion within this chapter:

- Component A: Statement of financial performance
- Component B: Spending against capital budget
- Component C: Other financial matters

Musina Local Municipality has handed over the 2016/17 annual financial statements to the Auditor General (Limpopo) on 31<sup>st</sup> August 2017 as per the Municipal Finance Management Act. The aforesaid components of the financial statements are discussed in detail below:

<b>Musina Local Municipality</b>									
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>									
for the year ending 30 June 2017									
						Note	2017	2016	
Revenue									
Revenue from exchange transactions									
<b>Service charges</b>					20		111 451 530	104 476 535	
<b>Rental of facilities and equipment</b>					21		1 141 369	455 642	
<b>Interest earned - external investments</b>					22		1 404 420	953 145	
<b>Interest earned - outstanding receivables</b>					23		3 014 284	1 852 953	
<b>Licences and permits</b>							3 637 028	4 149 633	
<b>Other revenue</b>					25		3 461 628	8 408 719	
<b>Revenue from non exchange transactions</b>									
<b>Government grants and subsidies</b>					24		146 035 810	73 119 859	
<b>Property rates</b>					19		17 025 929	13 396 397	
<b>Fines</b>							2 447 250	3 578 200	

<b>Total</b>						<b>289 479 314</b>	<b>210 391 083</b>
<b>Expenses</b>							
<b>Employee related costs</b>				<b>26</b>		<b>115 171 841</b>	<b>98 891 829</b>
<b>Remuneration of councillors</b>				<b>27</b>		<b>8 522 405</b>	<b>3 926 484</b>
<b>Prov Bad debts</b>						<b>5 724 820</b>	<b>7 624 416</b>
<b>Collection costs</b>						<b>18 663</b>	<b>1 837</b>
<b>Depreciation and amortisation expense</b>				<b>28</b>		<b>26 849 088</b>	<b>25 546 043</b>
<b>Repairs and maintenance</b>				<b>29</b>		<b>12 793 837</b>	<b>8 180 614</b>
<b>Finance costs</b>				<b>30</b>		<b>2 055 667</b>	<b>2 646 592</b>
<b>Bulk purchases</b>				<b>31</b>		<b>78 457 267</b>	<b>61 215 543</b>
<b>Contracted services</b>				<b>32</b>		<b>8 274 108</b>	<b>5 328 025</b>
<b>Grants and subsidies paid</b>				<b>33</b>		<b>3 516 096</b>	<b>3 149 009</b>
<b>Operational Grant Expenditure</b>				<b>50</b>		<b>3 704 000</b>	<b>3 852 000</b>
<b>General expenses</b>				<b>34</b>		<b>55 701 073</b>	<b>51 338 086</b>
<b>Total</b>						<b>320 788 866</b>	<b>271 700 478</b>
<b>Gain / (loss) on sale of assets</b>				<b>35.1</b>		<b>679 779</b>	<b>153 219</b>
<b>(Impairment loss) / Reversal of impairment loss</b>				<b>35.2</b>		<b>2 286 327</b>	<b>8 637 799</b>
<b>Fair Value on Mutale Assets</b>						<b>23 806 516</b>	
<b>Profit / (loss) on fair value adjustment</b>				<b>9</b>		<b>8 500.00</b>	<b>-</b>
<b>Reversal Provision Landfill Site</b>						<b>8 465 283</b>	<b>-</b>
<b>Surplus / (deficit) for the period</b>						<b>-1 872 426</b>	<b>-70 100 413</b>

## 5.1 BUDGET AND REVENUE COLLECTION

MLM is a rural municipality with high volume of outstanding consumer debts. This lead to financial burden with none and/or under-payment for services. Municipality has however in process of developing the Revenue Enhancement Strategy to address this challenge since the outstanding debt affects the cash-flow status of the municipality.

The Municipality had a total revenue budget of R252 510 million that was adjusted upwards to R284 704 million during budget adjustment. The actual revenue realized is R254 548 million and this resulted in under-performance variance of -R30 464 million. Grants and subsidies amounting to R146 035 810 million were received during the financial year under review and they contributed a major portion of the total revenue base of the municipality since the grants dependency rate in thereof was 44.08%. The municipality had unspent MIG of 0 million in 2015/16 financial year and this was approved as a roll over and it was appropriated during the 2016/17 Adjustment budget. Including the rolled over portion of MIG, the transfers and subsidies is comprised of R29 248 526 million that is capital and R 116 787 284 million operating grants that is inclusive of equitable share.



The total revenue budget for service charges, rental of facilities and equipment, and property taxes amounted to - R123 286 million and the actuals thereof amounted to R 129 742 million that gave rise to over-performance variance of R5 972 million. Motor vehicle licenses and fines contributed R 6 084 million to the total revenue base. The return on investments amounted to that is slightly higher than the budget thereof and as a result, this shows a good and sound financial management practice.

## 5.2 CAPITAL EXPENDITURE

The original budget for operating expenditure was R 251 260 million that was adjusted upwards to R 314 805 million and the actual expenditure thereof is R 291 492 million. This reflects a variance of R 23 314 million as a result of under spending. The major portion of operating expenditure is employee related cost that had original budget of R100 799 million and the budget was adjusted upwards to R111 506 million and the actual expenditure thereof is R 115 172 million and the reflected over-spending variance is attributed to new employees from Mutale.

**Table 12: Summary of financial overview**

Financial Overview – 2016/17			
R'000			
Details	Original Budget	Adjustment Budget	Actual
Grants	97 852	117 852	111 104
Taxes, levies and tariffs	114 047	123 286	140 122
Other	40 611	43 566	3 462
Sub -Total	252 510	284 704	254 687
Less Expenditure	251 260	314 805	291 492
Net Total	1 250	-30 101	-36 804

**Table 13: Operating ratios**

Operating Ratios	
Detail	%
Employee Costs	40.31
Repairs & Maintenance	2.5
Finance Charges & Depreciation	10.14

**Table 14: Total capital expenditure**

Total Capital Expenditure (R'000)		
Detail	2015/16	2016/17
Original Budget	19 656 000	35 814 000
Adjustment Budget	14 356 000	35 814 000
Actual	14 356 000	32 631 361

### **5.3 COMMENT ON FINANCIAL PERFORMANCE**

#### **Revenue**

##### **Property rates**

The original budget for property rates for 2016/17 financial year was R 15 050 million which was adjusted upwards to R 15 653 million and the actual revenue billed is R 17 026 million this gave rise to favourable variance of R 1 373 million respective on original budget and adjusted budget.

##### **Service charges**

This is made up of service charges for electricity and refuse removal and the original budget thereof was R 98 997 million that was slightly adjusted upwards to R 106 737 million and the actual revenue generated was R 111 452 million that reflects a R 4 715 million favourable variance respectively on both original budget and adjusted budget.

##### **Investment revenue**

Interest on investments was not budgeted for in the original budget but was adjusted to R 897 thousand in the adjustment due to performance in the first six months of the financial year and the actual revenue generated was R 1 404 million. The performance of this revenue line item reflects an improved investment practice of the municipality.

##### **Transfer recognized - operational**

This is revenue realized from both conditional and unconditional operating grants and subsidies including equitable share. The results shows an unspent amount of R4 482 on conditional grants and full expenditure on unconditional grants and with regards to conditional grants, all grants were spent in line with the conditions of the respective grants.

##### **Other Income**

The over performance of other revenue is attributed to revenue from clearance certificates, advertisement boards and mainly the sale of stands. This revenue is hard to accurately project due to its dependency on the rate of consumers who turn up for those revenue related activities, and hence the inconsistencies between the budget and actuals thereof.

#### **Expenditure**

##### **Employee related cost**

The over performance of employee related cost is as a result of classification of remuneration of ward committee members that according to GRAP is part of employee related cost and in terms of mSCOA is part of general expenses. In terms of the financial statements presentation, the line item is classified as employee related cost yet the budget is sitting under general expenses. In addition, the over performance has partially resulted from actuarial gains and losses as well as other actuary related expenses that were not incorporated in the budget.

##### **Depreciation and asset impairment**

Provision was made in the budget for capital asset depreciation and impairment and the budget thereof was R28.5 million and it was deemed to be in line with the 2016/17 actuals, infrastructure assets from Mutale almost resulted in over expenditure on depreciation, however that budget was enough to compensate for total depreciation and impairment.

### **Materials and bulk purchases**

The major portion of this line item was mainly for purchase of electricity. The bulk purchase expenditure was within the approved budget thereof, however expenditure relating to other materials was more than the projected budget and this item mainly relates to materials and supplies relating to repairs and maintenance.

### **Transfers and grants – expenditure**

Transfers and grants refer to subsidies made to indigent and pensioners consumers, external bursaries warded, and medical aid contributions made to pensioners who are former employees of the municipality. The subsidies were done in the form of special rebates on property rates and free basic electricity.

The budget provision still appear to be too little in light of Equitable share allocation that amounted to R3 516 096 million since this is the source of funding thereof. The number of registered indigents is still little and hence the underspending of the budget allocated for this subsidy.

## **GRANTS**

### **COMMENT ON OPERATING TRANSFERS AND GRANTS:**

All grants gazetted for 2016/17 financial year were received and cognizance should be taken that the above table does include capital grants. The total amount received on operational grants amounted to R216, 652 during the 2015/16 financial year. All grants were received from national sphere of government and nothing was gazetted to be received from the provincial government and the district municipality and/or any other source.

### **COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES:**

No grants were received from other sources.

**COMMENT ON ASSET MANAGEMENT:** All year end procedures regarding assets have been done and all journals posted, the carrying value has since been updated.

### **COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:**

Repairs and maintenance of assets were done mainly on electric infrastructure grants and road networks

---

## **FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**

### **Liquidity ratio**

Liquidity Ratio – Measures the municipality's ability to pay its bills, and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better, however the graph portrays a picture that shows a staggering liquidity ratio for 2016/17 financial year since the ratio is less than 1. This is attributed to high amount of invoices that were paid at year end using accruals.

### **Outstanding Debtors to revenue**

65.48 %

Outstanding Service Debtors to Revenue - Measures how much money is still owed by the community for electricity, waste removal and other services, compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors, by the total annual revenue thereof. A lower score is better. The graph shows that the municipality has a ratio of 65% outstanding debtors that has dropped by 16% when compared to 2015/16 ratio. The ratio is deemed to be high taking into account the targeted collection rate.

#### **Employee cost**

86%

Employee related cost ratio measures what portion of revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue

#### **Repairs and maintenance**

8.9%

Repairs and Maintenance - This represent the proportion of operating expenditure spent, and is calculated by dividing the total repairs and maintenance by total revenue excluding capital revenue.

#### **COMMENT ON FINANCIAL RATIOS:**

The municipality is still facing a challenge of achieving ----- threshold of operating expenditure for repairs and maintenance. Liquidity ratio is negatively affected by invoiced that are paid accruals at year end since the magnitude thereof was too high in 2016/17 financial year as those invoices are treated as current liabilities. The municipality is in a process of implementing cost containment measures as documented in the National Treasury Instruction letter number 01 and this will result in improved liquidity ratio and in addition, it will do away with unnecessary expenditure.

### **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

#### **INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET**

Capital expenditure relates mainly to projects and/or items whose outputs will result in assets that will have to be documented in the asset register. Capital expenditure is funded from grants and own revenue. Component B deals with capital spending, indicating where the funding comes from and whether the Municipality is 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.

## CAPITAL EXPENDITURE

### MIG project summary 2016-2017

Project Name	Vote Number	Budget Amount	Total expenditure	Unspent Amount
Extension 8 & 9 Roads	102/701/7632	8 000 000.00	7 821 005.09	178 994.91
Tshipise Matatane Road	102/701/7637	7 800 000.00	6 479 828.73	1 320 171.27
Nancefield stormwater	102/701/7638	6 295 300.00	6 061 416.82	233 883.18
Walk in centre	102/722/7633	5 000 000.00	4 927 500.00	72 500.00
Sport centre ex 5 phase 2	102/724/7631	2 249 537.00	1 495 468.76	754 068.24
Madimbo sport centre phase 2	102/724/7636	5 300 000.00	4 936 924.11	363 075.89
PMU Management fees		1 169 163.00	909 216.75	259 946.25
		35 814 000.00	32 631 360.26	3 182 639.74

### INEP PROJECT SUMMARY

Project Name	Vote Number	Budget Amount	Total amount spend	Unspent Amount
Electrification of RDP		3 600 000.00	1 983 426.92	1 299 550.89
		3 600 000.00	1 983 426.92	1 299 550.89

#### COMMENT ON SOURCES OF FUNDING:

The municipality have spent 90% of their capital funding as at 30 June 2017

The original capital budget for 2016/17 financial year was R38 814 000 that was adjusted upward to R 39 414 000.

The actual expenditure is R34 931 810 and this reflects an under-spending variance of R 4 482 190 which was disclosed as a liability in the annual financial statements.

#### Funding of capital budget:

Original budget: R38 814 000 was funded by grants and R 1250 000 was funded internally

Adjusted budget: R39 414 000 was funded by grants and R 1250 000 was funded internally

Actual expenditure: R 34 931 810 was funded by grants and R 0 was funded internally

### CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Expenditure on Five Largest Projects*					
R'000					
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
Extension 8&9 roads	8 000 000	0	7 821 005.09	2%	0

Tshipise Matatane roads	7 800 000	0	6 479 828.73	17%	0
Nancefield stormwater	6 295 300	0	6 061 416	4%	0
Madimbo sport centre	5 300 000	0	4 936 924	17%	0
Walk in centre	5 000 000	0	4 927 500	1%	0

#### **COMMENT ON CAPITAL PROJECTS:**

During 2016/17 Financial Year, the Municipality received the Total Allocation of R35 814 000 of MIG grant and R3 600 000 from INEP.

### **BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW**

#### **INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS**

There is still huge backlog in terms of Basic Infrastructure that is Water and Sanitation which is implemented at District level. The backlog for Electricity is not that huge as most households have access to electricity.

#### **COMMENT ON BACKLOGS:**

The electricity backlog is not that huge and the challenge is on the Eskom site as there is no network capacity for connections on some areas.

Roads and storm water as key function of the municipality is being implemented by MIG funds and own funding. The municipality has a serious backlog on roads and storm water and has challenges of resources and lack of funding to enable them to deal with the backlog.

The municipality has a program for re-gravelling of internal roads for accessibility to reduce the backlog. The machinery is stationed at satellite offices and there is a register for the rotation of those machinery to different wards. There has been an improvement on accessibility of internal roads.

### **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

#### **INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

The cash flow outcome presents the actual revenue and actual payments made during the year under review. Actual revenue realized should be differentiated from revenue billed because revenue billed does not portray the holistic financial position and performance of the municipality.

As a result, the cash flow outcome is presented on cash basis as opposed accrual basis of accounting.

Cash and cash equivalent of the municipality is made up of cash in the primary and all the short term investment

### COMMENT ON CASH-FLOW OUTCOMES:

Cash and cash equivalent at the beginning of the financial year was R 784 897 and when comparing this to the cash and cash equivalent as at end of 2016/17 financial year, the results reflects a increase in cash and cash equivalent of R1 199 017 and this portrays a negative picture about cash management of the municipality and this is supported by unfavourable liquidity ratio. Cognizance should be taken that the municipality is still dependent on grants since a major portion of revenue realized is made up of Transfer recognized (both operating and capital).

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

Actual Borrowings 2014/15-2016/17			
R'000			
Instrument	2014/15	2015/16	2016/17
<b><u>Municipality</u></b>			
Long-term loans (annuity/reducing balance)	R22 251 517	R 16 108 505	9 925 643
Long-term loans (non-annuity)			
Local registered stock			
Instalment credit			
Financial leases			
PPP liabilities			
Finance granted by cap equipment supplier			
Marketable bonds			
Non-marketable bonds			
Bankers acceptances			
Financial derivatives			
Other securities			
<b>Municipal Total</b>			
<b><u>Municipal Entities</u></b>			
Long-term Loans (annuity/reducing balance)	–	–	–
Long-term Loans (non-annuity)	–	–	–
Local registered stock	–	–	–
Instalment credit	–	–	–
Financial leases	–	–	–
PPP liabilities	–	–	–
Finance granted by cap equipment supplier	–	–	–
Marketable bonds	–	–	–
Non-Marketable bonds	–	–	–
Bankers acceptances	–	–	–

Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Entities Total</b>			

Municipal and Entity Investments 2014/15 - 2016/17 R'000			
Investment type	2014/15 Actual	2015/16 Actual	2016/17 Actual
<b><u>Municipality</u></b>			
Securities - national government	-	-	-
Listed corporate bonds	-	-	-
Deposits –bank			
Deposits -public investment commissioners	-	-	-
Deposits -corporation for public deposits	-	-	-
Bankers' acceptance certificates	-	-	-
Negotiable certificates of deposit – Banks	-	-	-
Guaranteed endowment policies (sinking)	10 936 963	11 732 517	12 605 974
Repurchase agreements – Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
<b><u>Municipal Entities</u></b>			
Securities - National government	-	-	-
Listed corporate bonds	-	-	-
Deposits – Bank	-	-	-
Deposits - Public Investment Commissioners	-	-	-
Deposits - Corporation for Public Deposits	-	-	-
Bankers' acceptance certificates	-	-	-
Negotiable certificates of deposit- Banks	-	-	-
Guaranteed endowment policies (sinking)	-	-	-
Repurchase agreements – Banks	-	-	-
Municipal bonds	-	-	-
Other	-	-	-
<b>Entities Sub-Total</b>	-	-	-
<b>Consolidated Total:</b>			

**COMMENT ON BORROWING AND INVESTMENTS:**

The Municipality has two long terms loans with ABSA and DBSA

**PUBLIC-PRIVATE PARTNERSHIPS**

Not applicable



## COMPONENT D: OTHER FINANCIAL MATTERS

### SUPPLY CHAIN MANAGEMENT

The financial statements for the 2016/17 financial year presents an irregular expenditure of R.93 783 835 as opening balance and during the year irregular expenditure amounting to R31 362 412.45 was incurred. This leaves the municipality with overall irregular expenditure of R 125 146 248. that emanated from procurement of goods and services without fully following the supply chain management processes. For 2016/17 financial year none of the year to date irregular expenditure was condoned by Council of the municipality.

The municipality has started with the implementation of central supplier database that has been rolled out by National Treasury with the intention of maintaining a database of organisations, institutions and individuals who can provide goods and services to government institutions. This database serve as the single source of key supplier information for organs of state and it provides consolidated, accurate, up-to date, complete and verified supplier information to procuring organs of state.

Municipality has SCM policy in place to minimize fraud and corruption. There are SCM committees in place that are reviewable as and when required to ensure value for money in awarding of tenders. For the year under review 17 tenders were awarded.

- The council has adopted a SCM policy in terms of SCM regulation 3.
- The SCM unit consists of three full time staff; three positions (Manager and Accountant SCM, Procurement officer) and 2 Admin officers' logistics.
- A report on the implementation of the SCM policy is presented to the Mayor on a quarterly basis.
- Needs assessments are undertaken for each acquisition and preferential policy objectives identified.
- Threshold values in the SCM policy are aligned with values stipulated in regulation 12.
- Municipal bid documents comply with MFMA circular 25.
- Records of tenders and all other bids received and awards made.
- All bid committees were established and appointed by the Accounting officer.
- Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.
- 19 Tenders were advertised during 16/17
- All tenders were advertised on the newspaper and on municipal website
- 17 Tenders were evaluated, adjudicated and awarded during 16/17
- 31 formal quotations were awarded(R30000.00 up to R200000.00)
- 119 Procurement below R30000.00
- 105 BEE beneficiation awarded for financial year 2016/ 2017

## GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules and principles by which municipalities are required to abide by in preparing the financial statements. Successful GRAP compliance and implementation will ensure that municipal accounts are transparent, comparable and more informative to the users of the financial statement.

Musina local municipality was appointed to be one of the pilot sites for the implementation of municipal standard chart of accounts (mSCOA) and the chart was expected to be GRAP compliant and the municipality was audited on annual financial statements that were prepared using mSCOA trial balance.

The chart still has grey areas that need to be cleared in order for the chart to be fully in line with GRAP regulation

## COMPONENT E: SERVICE PROVIDER PERFORMANCE INFORMATION

Project Name	2016/2017 budget	Challenges (any signs of poor performance)	Mitigation s ( any warning given to the service provider)	Name of consultant/ Contractor	Assessme nt rating or comments	Construction tender awarded
Nancefield ext. 8&9 construction of roads	R 8 000 000.00	The project was successfully completed with no challenges	N/A	Ts consulting engineers, Chauke business enterprises.	Project visited by coghsta,c ogta and council they were happy	Chauke Business enterprises.
Madimbo sports centre phase 2	R 5 300 000.00	The project was successfully completed, additional work caused the delay on the completion time of the project.	The contractor applied for the extent of time and it was granted.	TM Africa, Khatha-khatha trading	Project visited by coghsta,c ogta and council they were happy	Khatha-khatha trading.
Ext. 5 sports centre phase 2	R 2 228 000.00	Slow progress on site, contractor not complying,	A contractor is invited to technical meeting in order to resolve his issues.	Simba engineers, Before sunset trading.	Project visited by cogta and coghsta, they were concerned about the progress	Before sunset trading
Nancefield construction of storm water channel	R 6 295 300.00	The project was successfully completed with no challenge.	N/A	HWA engineers and project managemen	Project visited by coghsta,c ogta and council	HWA engineers

				t ( turnkey project)	they were happy	
Tshipise/Matatan e road	R 7 800 000.00	Slow progress on site, contractor is moving very slow.		EVN Africa, Phekiso consulting engineers.	Project visited by cogta, coghsta. They were concerned about the progress.	Phekiso consulting engineers
Musina walk-in centre	R 5 000 000.00	The project was successfully completed.		Andani architect, Diges group.	Project visited by coghsta, cogta and council they were happy	Diges group.

#### COMPONENT F - WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2016/2017				
R'000				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
Ward 3	Nancefield construction of storm water channel	June 2016	July 2017	R 6 295 300.00
Ward 4&5	Ext. 5 sports centre phase 2	June 2016	July 2017	R 2 228 000.00
Ward 5&6	Nancefield ext. 8&9 construction of roads	June 2016	July 2017	R 8 000 000.00
Ward 6	Musina walk-in centre	June 2016	July 2017	R 5 000 000.00
Ward 8	Madimbo sports centre phase 2	June 2016	July 2017	R 5 300 000.00
Ward 10	Tshipise/Matatane road	June 2016	July 2017	R 7 800 000.00

# **CHAPTER 6**

## **AUDITOR GENERAL AUDIT FINDINGS**

## **COMPONENT A: AUDITOR GENERAL'S OPINION**

### **Report of the auditor general to Limpopo provincial legislature and the council on Musina Local Municipality**

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

#### **Opinion**

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

In my opinion, 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 of South Africa 2003, (Act No 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2016 (Act No 3 2016) (DORA).

#### **Basis for opinion**

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Material uncertainty related to going concern/financial sustainability**

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

Note 55 to the financial statements indicates that the municipality incurred a deficit of R1 872 426 (2016: deficit R70 100 413), the municipality's current liabilities exceeded its current assets by R169 945 314 (2016: R138 246 717).

## **Emphasis of matters**

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

### **Restatement of corresponding figures**

As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error discovered in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### **Material impairments**

As disclosed in notes 2 and 3 to the financial statements, material impairments to the amount of R4 348 850 and R24 412 227 were made to receivables from exchange transactions and receivables from non-exchange transactions respectively, as a result of irrecoverable debt.

### **Unauthorised expenditure**

As disclosed in note 40.1 to the financial statements, unauthorised expenditure to the amount of R37 836 990 that was incurred in prior years, was not investigated.

### **Fruitless and wasteful expenditure**

As disclosed in note 40.3 to the financial statements, fruitless and wasteful expenditure to the amount of R17 046 589 (2016: R19 740 544) was incurred and not investigated.

### **Irregular expenditure**

As disclosed in note 40.3 to the financial statements, irregular expenditure to the amount of R31 362 412 (2016: R93 783 835) was incurred and not investigated.

### **Other matter**

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

### **Unaudited disclosure notes**

In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. 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**

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements 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.

In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating

to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

My 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 arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

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

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

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

<b>Development priorities</b>	<b>Pages in the annual performance report</b>
Development priority: KPA 2: Social and justice	74 – 76
Development Priority: KPA 4: Municipal viability and management-focus area: revenue management	87 - 88
Development priority: KPA 5: Basic services	91 – 94

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

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

## **Development Priority: Key Performance Area (KPA) 2 - Social and justice**

### **Reported indicators and targets not consistent or complete when compared with planned indicators and targets**

#### **Kilometres of road markings performed**

The indicator was not reported while the indicator was approved as kilometres of road markings performed in the service delivery budget integrated development plan (SDBIP). This is not in line with the requirements of section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

#### **Various targets**

The targets below were reported as X while the targets were approved as Y in the Service Delivery Budget Integrated Development Plan (SDBIP). This is not in line with the requirements of section 41(c) of the MSA.

<b>Reported indicators per APR</b>	<b>Initial target</b>	<b>Revised target</b>
Number of firearms and pouches purchased	250 000	15
Kilometres of road markings performed	20	0

### **Changes to indicators or targets not approved**

#### **Kilometres of road markings performed**

The indicator was changed without the necessary approval as required by section 25(2) of the MSA.

#### **Various targets**

The targets for the indicators listed below was changed without the necessary approval as required by section 25(2) of the MSA.

<b>Reported indicators per APR</b>	<b>Initial target</b>	<b>Revised target</b>
Number of firearms and pouches purchased	250 000	15
Kilometres of road markings performed	20	0

### **Performance indicators are not well-defined**

#### **Various indicators**



The source information, evidence and method of calculation for the achievement of the listed planned indicators were not clearly defined, as required by the *Framework for Managing Programme Performance Information (FMPPI)*.

- Number of established helpdesk
- Kilometres of all traffic routes
- Number of new enrolments on the housing waiting list
- Number of learner's licence tests administered
- Number of speed checks conducted
- Number of patrols conducted
- Number of road blocks conducted
- Number of arrive alive campaigns conducted
- Number of crime prevention workshops held
- Food parcels, groceries, clothing and blankets
- Number of satellite office visits
- Number of MoU reviewed
- Kilometres of road markings performed

**Performance indicators do not relate logically and directly to an aspect of the entity's mandate and the realisation of its strategic goals and objectives.**

#### **Number of new enrolments on the housing waiting list**

There was no clear and logical link between the below listed indicator and target and the strategic objective to which it relates, as required by the FMPPI. The indicator and related target focused on having the waiting list, while the strategic objective aimed to improve the quality of lives through social development and provision of community services.

**Reported achievement did not agree with the evidence provided, i.e. not valid and/or accurate and/or complete**

#### **Various indicators**

The reported achievements of the indicators listed below were misstated, as the evidence provided did not agree with the reported achievements as follows:

Reported indicators/ measures per APR	Reported actual achievement per APR	Audited target
Number of established helpdesk	1	0
Number of parks maintained in Nancefield	8	2

**Reported achievement not supported by sufficient appropriate audit evidence**  
**Various indicators**

I was unable to obtain sufficient appropriate audit evidence for the below reported achievement of targets. This was due to limitations placed on the scope of my work. I was unable to confirm

the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Reported indicators/ measures per APR	Reported actual achievement per APR	Audited target
Kilometres of all traffic routes	19km	0km
Number of new enrolments on the housing waiting list	1200	0
Number of resuscitation town parks	1	0

## **Development Priority: Key Performance Area (KPA) 4 – Municipal Viability and management\_ Focus Area: Revenue Management**

### **Reported target not consistent or complete when compared with planned target**

#### **Number of revenue enhancement strategy developed**

The planned target as per the annual performance report was set at 1, whilst the target was approved as 0 in the SDIBP. This is not in contravention of the requirements of section 41(c) of the MSA.

#### **Changes to indicators or targets not approved**

#### **Number of revenue enhancement strategies developed**

The planned target in annual performance report was changed to 1 without the necessary approval as required by section 25(2) of the MSA

#### **Performance indicators are not well-defined**

##### **Various indicators**

The source information, evidence and method of calculation for the achievement of the following planned indicators were not clearly defined, as required by the FMPPI.

- Number of awareness campaigns conducted for payment services
- Free services
- Number of awareness campaigns for meter reading
- Percentage of households with access of basic level of water, sanitation electricity and solid waste removal
- Percentage of households earning less than R1 100 per month with access to free basic services
- Number of revenue enhancement strategy developed
- Number of monthly billings
- Irrecoverable debts written off
- Convert all conventional electricity metres for residential properties to prepaid

##### **Various indicators**

I was unable to obtain sufficient appropriate evidence that clearly defined the predetermined source information, evidence and method of collection to be used when measuring the actual

achievement for the below indicators, as required by the FMPPI. This was due to a lack of technical indicator descriptions and documented system descriptions. I was unable to test whether the indicators were well-defined by alternative means.

- Percentage of households with access of basic level of water, sanitation electricity and solid waste removal
- Percentage of households earning less than R1 100 per month with access to free basic services

### **Performance indicators not verifiable**

#### **Various indicators**

I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the listed indicators, as required by the FMPPI. This was due to a lack of technical indicator descriptions and documented system descriptions. I was unable to validate the existence of systems and processes by alternative means.

- Percentage of households with access of basic level of water, sanitation electricity and solid waste removal
- Percentage of households earning less than R1 100 per month with access to free basic services

**Performance indicators do not relate logically and directly to an aspect of the entity's mandate and the realisation of its strategic goals and objectives within the focus area: revenue management.**

#### **Various indicators**

There was no clear and logical link between the listed indicators and targets and the strategic objective to which it relates, as required by the FMPPI. The indicator and related target focused on the provision of basic services, while the strategic objective aimed to enhance compliance with legislation and improve financial viability.

<b>Indicators</b>	
Percentage of households with access of basic level of water, sanitation electricity and solid waste removal	100%
Percentage of households earning less than R1 100 per month with access to free basic services	100%

### **Reported achievement not supported by sufficient appropriate audit evidence**

#### **Various indicators**

I was unable to obtain sufficient appropriate audit evidence for the below reported achievement of targets. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments to the reported achievements were necessary.

Reported indicators/ measures per APR	Reported actual achievement per APR	Audited target
Free services	12	1
Number of Awareness campaign conducted for payment services	4	0
Percentage of households with access to basic level of water, sanitation electricity and solid waste removal	100%	0
Percentage of households earnings less that R1100 per month with access to free services	100%	0

## Development Priority: Key Performance Area (KPA) 5 – Basic Services

### Performance indicators are not well-defined

#### Various indicators

The source information, evidence and method of calculation for the achievement of the planned indicator was not clearly defined, as required by the FMPPI.

Indicator within SDBIP	Indicator in APR	Target in APR
Number of samples blue & green drop water quality standard	Number of samples blue & green drop water quality standard	138
Percentage of clean, maintain and re-construction of hydraulic structure	Percentage of hydraulic structures cleaned	100%
Routine blading & re-gravelling of internal roads in ward 1-6.	Kilometres of routine blading and re-graveling of internal roads in ward 1 to 6	300km
Storm water drainage and bridge maintenance (cleaning)	Number of km of storm water drainage and bridge maintenance (cleaning)	0,7km
Km road to be constructed by concrete paved Matswale Ext.8, 14 and phase 1	Km road to be constructed by concrete paved Matswale Ext.8, 14 and phase 1	2km
Number of sport centres to be constructed in Nancefield Ext 5 and phase 2	Number of sport centres to be constructed in Nancefield Ext. 5 and phase 2	1
Number of Madimbo sports centre phase 2	Number of Madimbo sports centres to be construction (phase 2)	1
Number of client help centre constructed	Number of client help centre constructed	1
Number of storm water channel constructed in Nancefield	Number of storm water channel constructed in Nancefield	1
Re-gravelling of Tshipise/Matatane road	Km of Tshipise/Matatane road constructed	7,1km
Number of speed-humps constructed	Number of traffic calming structures and pedestrian crossing redesign and reconstructed	5
Maintenance of MLM fleet	Maintenance of operational of equipment's fleet and machinerics	8
Maintenance and purchase of municipal air conditioning system	Maintenance and purchase of municipal air conditioning system	10

**Performance indicators do not relate logically and directly to an aspect of the entity's mandate and the realisation of its strategic goals and objectives.**

### Various indicators

There was no clear and logical link between the below listed indicators and targets and the strategic objective to which it relates, as required by the FMPPI. The indicators and related targets focused to produce an updated waiting list, whilst the strategic objective aimed to to improve the quality of lives through social development and provision of community services.

Indicator	Target
Number of samples blue and green drop water quality standard	138
Number of planned and maintenance work conducted (water supply annually)	20
Number of planned and maintenance work conducted (sanitation annually)	12

### Performance indicators were not verifiable

#### Percentage of hydraulic structures cleaned

I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicator, as required by the FMPPI. This was due to a lack of technical indicator descriptions. I was unable to validate the existence of systems and processes by alternative means.

### Reported achievement did not agree with the evidence provided, i.e. not valid and/or accurate and/or complete

#### Various indicators

The reported achievements of the indicators listed below were misstated, as the evidence provided did not agree with the reported achievements:

Reported indicators/ measures per APR	Reported actual achievement per APR	Audited target
Number of sport centres to be constructed in Nancefield Ext 5 and phase 2	1	0
Number of client help centre constructed	1	0
Number of planned and maintenance work conducted(sanitation annually)	12	10

### Reported achievement not supported by sufficient appropriate audit evidence

#### Various indicators

I was unable to obtain sufficient appropriate audit evidence for the below reported achievement of targets. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Reported indicators/ measures per APR	Reported actual achievement per APR	Audited target
Percentage of hydraulic structures cleaned	100%	0
Kilometres of routine blading and re-graveling of internal roads in ward 1 to 6	300km	0
Number of km of storm water drainage and bridge maintenance (cleaning)	0,7km	0 km
Distance of replacement of copper to aluminium conductor done (Nancefield Ext. 7 replacement of copper to aluminium conductor)	8,5km	3.2km
Maintenance of operational of equipment's fleet and machineries	8	6

## Other matters

I draw attention to these matters below.

## Achievement of planned targets

Refer to the annual performance report on pages 74 to 76; 87 to 88; 91 to 94 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 33 to 62 of this report.

## Adjustment of material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – social and justice, KPA 4 – municipal viability and management\_ focus area: revenue management, KPA 5 – basic service development priority's. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on audit of compliance with legislation

### Introduction and scope

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

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

### Consequence management

Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA

Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA

Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA

### **Expenditure management**

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

Effective steps were not taken to prevent irregular expenditure amounting to R31 362 412 as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused

- Due to consistent deviations from the procurement processes (invitations of three written quotations, increase to bidding price, and no relevant contract or tender documentation) that were approved on the basis of it being an emergency, while it was possible to comply with the requirements or where proper planning would have prevented the deviations.
- Due to consistently incorrectly participating in a contract secured by another organ of state per paragraph 32 of Municipal Supply Chain management regulation.

Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R17 046 589, in contravention of section 62(1)(d) of the MFMA.

### **Strategic planning and performance management**

The SDBIP for the year under review did not include the monthly operational and capital expenditure by vote, and the service delivery targets and performance indicators for each quarter as required by section 1 of the MFMA.

The performance management system and related controls were not maintained as it did not describe/adhere to how the performance measurement, review and improvement processes should be organised and managed, as required by municipal planning and performance management regulation 7(1).

### **Annual financial statement and annual report**

The annual performance report for the year under review did not include a comparison with the previous financial year and measures taken to improve performance, as required by section 46 (1)(b) of the MSA.

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

Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records

were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Other information

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

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

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

I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary.

### Internal control deficiencies

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

#### Leadership

Leadership's review did not detect or prevent the risk of material misstatements to the annual financial statements and performance information. The slow response by leadership to resolve recurring findings and its inability to follow a pro-active approach have resulted in material misstatements in financial and performance reporting.

The municipality's efforts to address the cash flow and liquidity challenges did not yield the desired results challenges, which lead to going concern and financial viability difficulties.

#### Financial and performance management



Senior management did not adequately oversee the operations of the municipality, as the annual financial statements and annual performance report contained material misstatements that were not detected by the municipality's own system of internal control.

The municipality's management of records was inadequate in keeping performance information that supported the reported information. This included information that related to the collection, collation, verification, storing and reporting of actual performance information.

Polokwane

30 November 2017



AUDITOR - G E N E R A L  
S O U T H   A F R I C A

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control.

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer’s.

conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Musina Local municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a municipality to cease to continue as a going concern.

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### **Communication with those charged with governance**

I communicate with the executive mayor, audit committee and accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also confirm to the executive mayor, audit committee and 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.

## **COMPONENT B: AUDIT COMMITTEE COMMENT ON THE ANNUAL REPORT**

**Report of the Audit and Performance Audit Committee to the Council Musina Local Municipality for the financial year ended 30 June 2017**

We are pleased to present our report for the financial year ended 30 June 2017.

The Audit and Performance Audit Committee (Committee) is a statutory committee appointed by the Council of Musina Local Municipality in terms of section 166 of the Municipal Finance Management Act and paragraph 14 (2)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001. Further duties are delegated to the Committee by the council. This report includes both these sets of duties and responsibilities.

### **Audit committee members**

The Committee met 4 times during the financial year under review, in compliance with the approved terms of reference and as required by legislative requirements. The internal audit manager and the risk officer are the permanent invitees to Committee meetings and have unrestricted access to bring any matter within their scope and responsibility to the attention of the Committee.

**Name of the Member No. of Meetings 26/08/2015 25 /11/2015 20/03/2016 14/06/2016**

<b>Name of the member</b>	<b>No of meetings</b>	<b>26/08/2015</b>	<b>25 /11/2015</b>	<b>20/03/2016</b>	<b>14/06/2016</b>
<b>Mr. B.W. Mbewu - CIA, CCSA, CGAP, CRMA- Chairperson</b>	<b>3/4</b>	✓	✓	✓	
<b>Adv. N. E. Lambani</b>	<b>4/4</b>	✓	✓	✓	✓
<b>Ms. F.S Tshikhudo – BCom, CRMA</b>	<b>4/4</b>	✓	✓	✓	✓

### **LEGEND**

**▣ Attended**

**X Did not attend**

### **Audit committee responsibility**

The Committee reports that it has complied with its responsibilities arising from section 166 of Municipal Finance Management Act, 2003, (Act 56 of 2003) and paragraph 14 (2)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 and the King IV Report on the Best Practices on Corporate Governance

for South Africa. The Committee also reports that it has adopted appropriate formal terms of reference as charter, and regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### **The effectiveness of internal control**

The systems of internal controls applied by the municipality over financial management is effective, efficient and transparent. Risk management and performance management remain a concern for the Audit Committee. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provided the audit committee and management with assurance that the financial internal controls of the municipality have been fairly designed, are efficient and effective.

From the Audit Report of the Auditor-General South Africa (AGSA) on the annual financial statements of the municipality, it was noted that the municipality retained an unqualified audit opinion that it had received in the previous financial years. The Committee would like to commend the municipal council and management for this achievement. We further report that the Committee requested that management should develop and implement appropriate remedial actions to address all the findings raised by the AGSA in order to strengthen the efficiency and effectiveness of the systems of internal controls.

### **Evaluation of Annual Financial Statements**

The Committee has:

- ▮ Reviewed and discussed the audited annual financial statements to be included in the annual report, with the AGSA and the Municipality management;
- ▮ Reviewed the Municipality compliance with legal and regulatory provisions;
- ▮ Reviewed the AGSA's management report and audit report
- ▮ Reviewed significant adjustments resulting from the audit.

### **Internal audit**

The Committee is satisfied that the internal audit function is operating effectively. The Committee has recommended ways in which the internal audit can further improve its operations. The Committee is satisfied with the effectiveness of the financial internal controls during the financial year and has noted that there is monitoring, implementation and oversight of internal financial controls.

### **Risk management**

The Committee reports that risk management processes continue to improve. The Committee will continue monitoring the efficiency and effectiveness of risk management processes within the municipality.

### **Performance management**

The Committee has discharged its responsibilities regarding performance management. During the year, the Committee advised the municipality on how it can improve performance management and one of the members of the Audit Committee attended the performance management assessment sessions for senior managers.

### **Auditor-General of South Africa**

The Committee in consultation with management, agreed to the terms of the engagement. The audit fee for the external audit was considered and approved taking into consideration such factors as the extent and scope of the work done.

The Committee has met with the AGSA to ensure that there are no unresolved issues. The committee concur with and accept the AGSA's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the AGSA. The auditors remain independent throughout the financial year.

#### **Reporting**

The Committee submitted quarterly reports to the municipal council, reporting on matters attended to during the relevant quarter.

#### **Appreciation**

The Committee wishes to thank municipal council, management and the staff for their continued commitment to improve the control environment of municipality. Our appreciation is also extended to the team from the AGSA for the value that they continue to add to the municipality.

---

**Mr BW Mbewu CIA, CCSA, CGPA, CRMA**

**Chairperson**

### COMPONENT C: AUDIT ACTION PLAN

No.	AUDIT FINDINGS	CATEGORY OF FINDING	DESCRIPTION OF FINDING	ROOT CAUSE	ACTION PLAN DESCRIPTION	START DATE	COMPLETION DATE	POSITION
1.	Payments	Matters affecting the auditor's report	Suppliers not paid within 30 days	Cash flow problems	Management will ensure better collection of revenue on services to be able to pay all suppliers within 30 days	1-Jul-17	30-Jun-18	Chief financial officer
2.	Predetermined Objectives	Matters affecting the auditor's report	Reported objectives, indicators and targets not consistent with planned objectives indicators and targets	Amendment of the APR	Management will ensure that proper review is made to ensure consistency of the quarterly performance reports, Annual performance report and the SDBIP	1-Jul-17	30-Jun-18	Senior manager Corporate services
3.	Predetermined Objectives	Matters affecting the auditor's report	Performance targets not specific, measurable and indicators not well defined and verifiable	The process followed to produce the outcome was not specified	Indicator descriptions will be aligned to the supporting evidence	1-Jul-17	30-Jun-18	Senior manager Corporate services
4.	Predetermined Objectives	Matters affecting the auditor's report	Performance indicators and target not relate logically to the mandate of the auditee	Non-compliance with the FMPPI	Management will ensure compliance with the FMPPI	1-Jul-17	30-Jun-18	Senior manager Corporate services
5.	Predetermined Objectives	Matters affecting the auditor's report	Actual performance not compared to prior year	Improper presentation and disclosure of the APR as a result of None compliance with MSA	Management will ensure compliance with MSA	1-Jul-17	30-Jun-18	Senior manager Corporate services

6.	Predetermined Objectives	Matters affecting the auditor's report	Measures taken to improve performance are not supported by corroboration evidence	Lack of sufficient monitoring controls to ensure adherence to the policies and procedures at program/objective level and for the purpose of taking corrective action.	Management will ensure that sufficient oversight responsibility exist over reporting and compliance with laws and regulations and internal control	1-Jul-17	30-Jun-18	Senior manager Corporate services
7.	Predetermined Objectives	Matters affecting the auditor's report	Targets were not reliable when compared to the source information or evidence provided.	Sufficient audit evidence not provided as result of lack of the standard operating procedures , technical indicator description for the accurate measurement, recording and monitoring of performance.	Management will ensure frequent review of the accuracy and completeness of reported achievements against source documentation through internal auditing processes.	1-Jul-17	30-Jun-18	Senior manager Corporate services

8.	Predetermined Objectives	Matters affecting the auditor's report	SDBIP did not have all the five necessary components to develop the lower layer of the SDBIP to be useful. SDBIP did not include: 1. Ward information for expenditure and service delivery 2. Detailed capital works plan broken down by ward over three years 3. Quarterly projections of service delivery targets and performance indicators for each vote	Non compliance with MFMA circular 13	Management will ensure compliance with Circular 13	1-Jul-17	30-Jun-18	Senior manager Corporate services
9.	Other Disclosure	Matters affecting the auditor's report	Unauthorised irregular fruitless and wasteful expenditure from prior year was not investigated. Effective steps were not taken to prevent incurring irregular fruitless and wasteful expenditure in the current year.	Non-compliance with MFMA sec 62(1)(d)	Management will ensure that the financial misconduct board established investigate UIFW expenditure incurred.	1-Jul-17	30-Jun-18	Chief financial officer



10.	Other Disclosure	Matters affecting the auditor's report	Accounting officer did not inform the AGSA of unauthorised irregular fruitless and wasteful expenditure incurred in the current year.	Non-compliance with MFMA sec 32(4)	Management will ensure that UIFW expenditure is reported to the relevant institutions when it is incurred.	1-Jul-17	30-Jun-18	Chief financial officer
11.	Immovable Assets	Other important matters	<p>Road maintenance infrastructure : The standard for infrastructure procurement and delivery management was not adopted</p> <p>a) Project management</p> <ul style="list-style-type: none"> <li>• Roads project was completed later than planned.</li> <li>• Penalties were not implemented in cases where roads projects were not completed on time.</li> <li>• Work completed on roads projects were not verified prior to payment thereof.</li> </ul> <p>b) Maintenance of roads infrastructure</p> <ul style="list-style-type: none"> <li>• The municipality did not have an approved</li> </ul>	Management did not assess the need, importance of planning, management and reporting on road infrastructure and the need for required road maintenance plans.	Management will assess the need, importance of planning, management and reporting on road infrastructure and the need for required road maintenance plans.	1-Jul-17	30-Jun-18	General manager Technical services

			<p>roads maintenance plan (RMP) for the renewal and routine maintenance of roads infrastructure</p> <ul style="list-style-type: none"><li>• The municipality did not perform condition assessments for all roads infrastructure under its control to inform the roads maintenance plan.</li></ul>					
--	--	--	---	--	--	--	--	--

12.	Predetermined Objectives	Other important matters	The top layer of the SDBIP does not exist. This document need not be made public, should deal with the breakdown of more details of outputs per department and will be contained in the departmental SDBIPs. As a result of the above none compliance, some indicators as an example are repetitive in nature and appears within the Adjusted Service Delivery and Budget Implementation Plan 2016/17	MFMA sec 53(1)(c)(ii) and MFMA circular 13	Management will ensure that sufficient oversight responsibility exist over reporting and compliance with laws and regulations and internal control. The top layer of the plan dealing with consolidated service delivery targets and in-year deadlines will be made public to ensure no duplicate in nature indicators exist.	1-Jul-17	30-Jun-18	Senior manager Corporate services
13.	Payments	Administrative matters	Senior managers received overtime payments	Non-compliance with the overtime policy	Overtime policy will be amended	1-Jul-17	30-Jun-18	Accounting officer

# APPENDICES

**APPENDIX A- COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

MEETING DATE	MEETING TYPE	SUMMARY OF RESOLUTION
26-May-16	Ordinary	Tabling consideration and adoption of the 2016/17 to 2021 Final IDP
		Consideration and approval of the annual budget for capital and operating expenditure for 2016/17, 2017/18 and 2018/19 Financial years.
		That post approval and elections the budget be adjusted
		Approval of the 2016/17 Tariff charges
		Budget related policies are approved
		Consideration of the 2016/17 draft SDBIP
		Acting appointment for GM Corporate services Ms VJ Tshikundamalema from 01 June to 31 August 2016
		Acting appointment for GM Technical services Mr TN Tshiwanammbi from 01 June to 31 August 2016
		Adoption of ICT policies Corporate governance of ICT policy ICT user account management ICT security ICT disaster recovery plan
29-Jun-16	Special meeting	Approval of a schedule of ordinary council meetings
		Approval of bad debts of more than 120 days for deceased and indigent debtors
		Approval of indigent subsidy and free basic services threshold from R2900 to R3500
		Approval and writing off of fruitless and irregular expenditure of R 176 199.41 and R 8 261 432.40 respectively
		Deviation from and ratification of minor breaches of procurement processes
		Approval of monthly general ledger accounts from July 2015 to June 2016
		Write-off of redundant assets
		Approval of movements between votes
		Approval of MPAC annual programme and terms of reference
		Adoption of MPAC report on investigation of Madimbo sports centre
		Approval of Mpac quarterly report from April to June 2016
18-Aug-16	Special meeting	council inauguration
		Adoption of 2016/17-2021 IDP
		Consideration and approval of the annual budget for capital and operating expenditure for 2016/17, 2017/18 and 2018/19 Financial years.
		Approval of the 2016/17 Tariff charges
		Budget related policies are approved
		Approval of the SDBIP
		Approval of the 2016/17 organisational structure
		Approval of establishment of ward committees
		Approval Salga induction dates for new appointed council.
		Approval of council administrative seats of Musina Local municipality as 21 Irwin street Musina

31-Aug-16	Special meeting	Approval of established council committees Mpac Council rules and programmes Special programmes Municipal events LLF Portfolio committees on Finance ,corporate ,community ,planning and technical services department Representatives on SALGA structure Representatives on the provincial and district IGR structures
		Approval and adoption of ward committee policy
		That the MEC of COGHSTA be informed of the delay in adoption of the process plan and council's resolve to finalise the process plan immediately after appropriate consultative structures have been established and planning framework outlined.
13-Oct-16	Ordinary	Approval of sec 71 reports for July and August 2016
		Report on cost containment measures referred back to officials for amendments
		Adoption of the strategic planning report for the strategic planning session held on 14-16 September 2016
		Approval of corporate Calendar schedule for various meeting for the 2016/17
		Approval of the 3rd and 4th quarter 2015/16 audit and performance committee report
		Authorisation of advertisement of vacant position of the GM corporate services and GM technical services
		Approval of appointment of Mr TN Tshivanammbi as the acting general manager technical services and Mr S Peta as acting general manager corporates services both from 13 October to 31 December 2016
		Confirmation of traditional leaders who are to participate in the municipal council
		Approval of partnership with Centre for municipal research and advice (CMRA) with no financial implication.
		Approval of reviewed LED strategy
		Approval of the proposal received from the Musina Horse Riding Club to lease a portion of the Remaining Extent of the Farm Messina 4MT
		(a) That council take-over ownership from South African Road Agency SOC Limited and assume responsibility of the section of the existing N1 Road through Musina CBD when the New N1 Western Ring Road completed and opened to traffic and the pavement strengthening of this section of the existing N1 is completed as discussed above.
		(b) That after ceding the section of the road, section of the existing N1 Road through Musina CBD be part of the local and road network when the New N1 Western Ring Road is complete and opened to traffic.
		(c) Post taking over of the section of the road the Musina Local Municipality, council consider and provide adequate resources for maintenance and future road requirements from 2020 and beyond 2030.
		Approval of sale/disposal of municipal redundant copper cables and transformers

		Approval of the areas demarcated on Map 1, that is Portion 32 of Erf 801, Messina-Nancefield Township and Remainder of Nancefield 5-MT in Musina as Restructuring Zones to be utilised for the purposes and facilitation of future development of Social Housing (affordable rental housing) as contemplated in the Social Housing Act, 2008 (Act No. 16 of 2008).
18-Oct-16	Special meeting	<p>Applicable Councillors Remuneration Allowance Tax Code</p> <p>(a) That council resolved to make use of SARS Tax Code 3708 for taxation of members of the municipal council allowances as public office bearers.</p> <p>(b) That the payroll system be adjusted accordingly to the applicable tax code and sub-codes.</p> <p>(c) That the tax code be implemented with immediate effect and all sub codes be adjusted in accordance with the tax code 3708.</p> <p>(d) That in implementing the resolution, the office of the Speaker should be updated and consulted if so required from time to time.</p>
		Minutes of the LLF Meetings deferred back for revision
13-Dec-16	Ordinary	<p>Approval of sec reports for the months of September and October 2016 and second quarter sec52 report ended September 2016.</p> <p>Approval of the first quarter SDBIP report ended 30 September 2016</p> <p>Approval of report on implementation of SCM policy for the quarter ended 30 September 2016</p> <p>Approval of Tshipise as area to be established for the utilisation for municipal service deliver point(Satellite office)</p> <p>council delegates the Executive Committee of council to assess / evaluate performance of the Audit and Performance Audit Committee for the year 2015/2016 upto and including 2020/201 financial years.</p> <p>Approval of the Audit and Performance Committee's 1st quarter reports for the 2016/2017 financial year</p> <p>Approval of the 2016/17 IDP/ Budget Process Plan.</p> <p>Approval of the lease ERF 4710 OF MESSINA-NANCEFIELD be extended for a further period of 5 years</p> <p>Approval of the proposal for alienation of all identified pockets of land in the established municipal area</p> <p>That the proposal to call for land availability proposals for the development of land for middle income be considered by the Executive committee.</p> <p>Confirmation of the traditional leaders to serve on different council committees</p> <p>Approval and adoption of ward committees presented.</p>
19-Dec-16	Special meeting	Council authorised the mayor to issue a notice to the Municipal Manager requiring the Municipal Manager to officially provide reasons why the inability to properly manage Eskom debt and MIG performance as an act of misconduct.

06-Jan-17	Urgent special	<p><b>Determination of upper limits of salaries ,allowances and benefits of different members of council</b></p> <p>(1) That council notes the 2016/17 upper limits of salaries, allowances and benefits of different members of municipal councils as set out in Government Notice No. 1600 of Government Gazette No. 40519 of 21 December 2016.</p> <p>(2) That the municipality upon receipt of confirmation of municipal grading determine an amount required to implement the determined upper limits as published.</p> <p>(3) That the applicable budget vote be adjusted accordingly to cater for implementing determination of upper limits of salaries, allowances and benefits of different members of municipal councils as set out in Government Notice No. 1600 of Government Gazette No. 40519 of 21 December 2016 with due regard to procedures outlined for adjusting a budget.</p> <p>(4) That subsequent to grading confirmation and adjustment of the applicable budget vote the mayor be authorised to consult and seek concurrence from Member of the Executive Council (MEC) responsible for local government in the province for implementation of upper limits of salaries, allowances and benefits of different members of municipal councils as determined.</p> <p>(5) That subject to concurrence by a Member of the Executive Council (MEC) responsible for local government in the province and municipal budget adjustment the salaries, allowances and benefits of full time as well as part time councillors be paid and adjusted accordingly effective from 01 July 2016 as set out in Government Notice No. 1600 of Government Gazette No. 40519 of 21 December 2016 be adjusted.</p> <p><b>Report regarding the Municipal manager</b></p> <p>(a) That council approves and authorise that the mayor on behalf council subject to legal advice consult affected parties, generate an agreement with a view to settle the employment service / contract of the municipal manager.</p> <p>(b) That the agreement contemplated in 5(a) above must in all respects constitute a full and final settlement between the municipality and the municipal manager.</p> <p>(c) That the settlement value be equivalent to the remainder of the contract term of the municipal manager considered to be up to the end of August 2017.</p> <p>(d) That such a settlement be subject to applicable taxation and prescribed deduction.</p> <p>(e) That all benefits accruing from the municipal manager's service due and payable to the affected party be made payable during the month of January 2017 except for the settlement amount which will be paid subject to receipt of the applicable SARS issued tax directive and another prescribed deduction.</p>
19-Jan-17	Urgent special	<p>Approval of advertisement of the position of the general manager corporate services</p> <p>Progress on the position of the municipal manager</p> <p>(a) That council take note of progress made and ratifies the settlement agreements that the mayor as authorised by council entered into with the municipal manager.</p> <p>(b) That the municipality observes provisions of the agreement.</p> <p>(c) That the resignation / termination of service notice be approved and a vacancy for the position of Municipal Manager declared.</p> <p>(d) That council advertise a vacancy of a position of the municipal manager.</p> <p>(e) That Mr TN Tshivanammbi be appointed in an acting capacity as Acting Municipal Manager for a period of 3 months.</p>



25-Jan-17	Ordinary	Council took note of the audit action plan
		Consideration and approval of the sec 71 reports for the months ended 30 November 2016 and 31 December 2016
		Approval of the second quarter SDBIP departmental reports
		Approval of the second quarter report on the implementation of the SCM policy
		Approval of draft bylaws for consultative
		Approval for advertisement of the position of the municipal manager
		Approval of the appointment of Mr TN Tshivanammbi and Mr S Peta as the acting general manager for technical service and corporate services department respectively from 25 January 2017 to 25 April 2017
		Approval of the mid-year performance assessment report
		Approval of draft annual report
		Council took cognisance of the 2015/2016 Auditor General's Report.
27-Feb-17	special meeting	Approval of the 2016/17 adjustment budget
		Authorisation of Acting accounting officer :Mr TN Tshivanammbi,CFO Ms VJ Tshikundamalema and Manager expenditure Mr BT Muluvhu as Municipal bank signatories.
		Authorisation of advertisement of GM Technical services
		That obsolete by-laws as listed and which were gazetted and applicable to disestablished Mutale Local Municipality be approved by council for consultative process with a purpose of repealing them wholly:
		Approval of ward 3 committee members
30-Mar-17	Ordinary	Approval of the draft 2017/18-2022 Draft IDP
		SPATIAL DEVELOPMENT FRAMEWORK REVIEW 1. That the reviewed Spatial Development Framework is approved by council as draft document of the Municipality. 2. That council authorise an extension of scope to cater for a wall to wall framework subject to compliance with necessary legislative prescripts. 3. The transitional grant be used to cover the extended scope of work to the service provider.
		Approval of draft budget and SDBIP for 2017/18
		Municipal property rates and taxes reflected in the Draft Tariff List be considered as draft for the budget year 2017/2018.
		Draft budget and SDBIP and IDP for 2017/18 Financial year be taken for public participation.
		Approval of the deviation from Supply chain management regulations from November 2016 – February 2017 due to procurement of Goods and Services on emergency and sole supplier
		Approval of sec 71 report for the month of February 2017
		Approval of strategic planning session
		Council took note of the 2016/17 Draft Adjustment Service Delivery Budget Implementation Plan (SDBIP) for the financial year 2016/ 2017
		Approval of the draft (SDBIP) performance report for 2017/2018 financial year. Council authorized application for extension with one year of the validity period of the current General Valuation Roll

		(MPAC) recommendations on the 2015/2016 Annual Report is approved with reservation in the light of the following findings: (a) The Mayor's Foreword, Municipal Manager's Foreword and Audit Action Plan are a replica of the 2014/2015 version of the annual report. (b) And figures reflected on the Annual Financial Statements varies from the Auditor General's Audited Version.
		Council approves an oversight report on the 2015/2016 Annual Report
		Deviation report(July to September 2017) be referred back to the Municipal Public Accounts Committee (MPAC) for full investigation upon receipt of supporting documentations
25-May-17	Ordinary	Approval of the 2017/18 budget and the budget related policies
		Approval of the deviation from the scm regulations from March to April 2017 and the deviations referred to MPAC for investigation.
		Approval of the report on the implementation of the SCM policy from Jan to April 2017
		Approval of the firearm procedure manual for traffic officials.
		1. That council authorize the speaker to designate at least 2 municipal official per sitting to serve as Sargent at Arms. 2. That official to be designated as Sargent at Arms be drawn from the Traffic Law Enforcement Division and / or Risk and Security Management Services Division with due regard to rank and seniority. 3. That the speaker is authorized to on a need basis call for additional support from other municipal officials for maintenance of order. 4. That officials designated as Sargent at Arms assumes and execute power and responsibility of the function.
		Audit and Performance Committee's quarterly reports for the 3rd quarter is approved by council
		Approves of the Audit and Performance Audit Committee's performance for 2015/2016 financial year.
		Approves and adoption of the reviewed risk management related policies:
		Approval of the HR related policies
		Approval of the 2017/18 organisational structure
		Council authorize re-advertisement for position of General Manager Corporate Services.
		Appointment of Ms Dinyake Chuene,Mr PS Peta and Mr T.N Tshiwanammbi as Acting General Manager Technical Services,Acting General Manager Corporate Services and MM respectively for a period of 3 months, commencing on 25 May 2017 and lapsing on 25 August 2017 or up to a date on which permanent filling of the vacancy takes effect whichever comes first.
		Approval of corporate System of Delegations of Powers and Functions that will maximise its administrative and operational efficiency.
		Approval of the following by-laws: Credit Control and Debt-Collection By-law; Property Rates By-law; Street Trading By-Law; Tariff By-Law; Refuse Removal, Refuse Dumps and Solid Waste By-Law; Parking Meter By-law; Cemeteries and Crematoria By-law; and Spatial Planning and Land Use Management by-laws.
		Council approves repeal of by-laws from former Mutale municipality
		Approval of SDBIP performance report for third quarter
		Approval of the 2017/18 SDBIP

		Council approved the purchase of Erf 2415 Musina Extension 7
		Approval of the final IDP for 201/2018 to 2021/2022
		Council approve the lease of property that is the remaining Extent of the Farm Vogelenzang measuring approximately 500 hectares for mining purposes for a period equivalent to term of mining rights permit on the property to the applicant.
		<p>ALIENATION OF ALL IDENTIFIED POCKETS OF LAND IN THE ESTABLISHED TOWNSHIPS OF MUSINA MUNICIPAL AREA</p> <p>1. That the proposal be approved by Council in the light of revenue generation and promotion of land development.</p> <p>2. That all "Residential 1" stands available within existing serviced township be sold together.</p> <p>3. That where an application was previously received from organization and individuals, preferences be given to them in a bid to reduce the service backlog.</p> <p>4. That other stands identified and available be allocated to community based projects to advance service delivery.</p> <p>5. That all stands identified be subjected to a two (2) years building clause.</p> <p>6. That the successful purchaser takes the responsibility of all developmental and or Town planning applicable procedures at own cost.</p> <p>3. That land disposal shall be done in compliance to Section 14 of the Municipal Finance Management Act, 2003 read in conjunction with section 79(18) of the Local Government Ordinance 17 of 1939.</p>
		<p>PROPOSED ALIENATION: PORTION OF REMAINING PORTION OF THE FARM MESSINA 4 MT</p> <p>(1) That the council approve the proposal.</p> <p>(2) That the portion of the remaining extent of the farm Messina 4 MT as identified to an extent of 20ha should be made available for competitive bidding.</p> <p>(3) That the prospective investor shall ensure that a portion of the development proceeds is set aside to benefit the community of Musina with proper representation by a community entity.</p> <p>(4) That the prospective bidder shall be responsibility of all developmental and or town planning application such as subdivision and rezoning on his own account.</p> <p>(5) That the prospective bidder shall ensure supply and connection of infrastructure services to the property on his own account.</p> <p>(6) That land disposal shall be done in compliance to Section 14 of the Municipal Finance Management Act, 2003 read in conjunction with section 79(18) of the Local Government Ordinance 17 of 1939.</p>
		Municipal Manager was mandated to continue engage with the applicant on the sale of land to vanetia mine for residential purpose and finalise the agreements and ensure compliance with all processes and procedures.
		Approval of sale of stands in ext 14
		council authorise the purchase of the Munsoft Financial Management System and Services to the value of R 10 386,820.00 for a period of 3 years
29-Jun-17	Urgent special	Approval of bad debts to be written off
		Approval of indigent subsidy and free basic services threshold to R3500
		Approval of fruitless and wasteful expenditure
		Approval of the deviation from SCM processes for May to June 2017

		Approval of writeoff of redundant assets
		Approval of adjustment of budget
		Approval of assets received from mutale for incorporation into the municipal assets register
		Approval of schedule of meetings for council and council committees
		Approval of terms of reference and work programme for MPAC
		Council authorised the advertisement of the position of the CFO AND General manager EDP
		Approval for readvertisement of the position of the General manager technical services
		Appointment of Mr LM Murulana as the acting CFO from 01 July 2017 to 30 September 2017

## APPENDIX B – COMMITTEE AND COMMITTEE PURPOSE

Committees (other than Mayoral/Executive Committee) and Purposes of Committees	
Municipal Committee	Purpose of Committee
Corporate Services Committee	Addressing relevant issues and reports
Infrastructure Committee	Addressing relevant issues and reports
Finance Committee	Addressing relevant issues and reports
Social Development Committee	Addressing relevant issues and reports
Strategic Management Committee	Addressing relevant issues and reports
Development Planning Committee	Addressing relevant issues and reports
Local labour forum	Address all employer and employee related matters
Municipal public accounts committee	Oversight committee addressing AG report, financial reporting investigating items delegated by council
Executive Committee	Give political direction to executive management and report to council
Rules and ethics	Investigates reports of unethical conduct, formulates rules and principles, and recommends actions on ethical issues
Programming	Deals with all items submitted and determines which items must serve in portfolio committees and which one must serve in council without serving in portfolio committees
Local geographical names change(LGNC):	Deals with changing of street names within the municipal area

### APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

Designation	Initial And Surname	Gender
Municipal Manager	TN Tshivanammbi	Female
Acting General Manager: Corporate Services	PS Peta	Male
Acting General Manager: Technical Services	C Dinyake	Female
Chief Financial Officer	VJ Tshikundamalema	Female
General Manager: Community Services	NR Morolana	Male
General Manager: Development Planning	TN Tshivanammbi	Male
Senior Manager: Corporate Services	PS Peta	Male
Senior Manager: Senior Manager Finance	L Murulana	Male
Senior Manager: Mayor Support	M Sithole	Male
Manager: Housing	K Rhavhuanzwo	Male
Manager: Budget	T Mokone	Male
Manager: Supply Chain Management	M Siziba	Female
Manager: Revenue	D Tshikota	Male
Manager: Human Resources	R Le Roux	Female
Manager: Administration	M Mukoma	Male
Manager: ICT	P Eccleston	Male
Manager: Waste Management	R Kutama	Female
Manager: Water and Sanitation	M Matshili	Female
Manager : Electrical Services	P Jansen	Male
Manager: Civil and Roads	M Mthombeni	Male
Manager: Expenditure	B Muvhu	Male
Manager: Licensing	C Jombe	Male
Manager: LED	M Mudau	Male
Manager: IDP	T Ncube	Male
Manager: Development and Town Planning	M Mphephu	Male
Manager: Internal Audit	J Seyaka	Female

### APPENDIX D - FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/no)
<b>Constitution, Schedule 4, Part B Functions</b>		
Air pollution	yes	N/A
Building regulations	yes	N/A
Child-care facilities	yes	N/A
Electricity and gas reticulation	yes	N/A
Fire-fighting services	yes	N/A
Local tourism	yes	N/A
Municipal airports	No	N/A
Municipal planning	yes	N/A
Municipal health services	yes	N/A

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/no)
<b>Constitution, Schedule 4, Part B Functions</b>		
Municipal public transport	yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other	yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and related matters	yes	
Storm water management systems in built-up areas	yes	
Trading regulations	yes	
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	No	Vhembe District Municipality
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	yes	
Cemeteries, funeral parlours and crematoria	yes	
Cleansing	yes	
Control of public nuisances	yes	
Control of undertakings that sell liquor to the public	yes	
Facilities for the accommodation, care and burial of animals	yes	
Fencing and fences	yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	yes	
Local amenities	yes	
Local sport facilities	yes	
Markets	yes	
Municipal abattoirs	yes	
Municipal parks and recreation	yes	
Municipal roads	yes	
Noise pollution	yes	
Pounds	yes	
Public places	yes	
Refuse removal, refuse dumps, and solid waste disposal	yes	
Street trading	yes	
Street lighting	yes	
Traffic and parking	yes	

## APPENDIX E - WARD REPORTING

### WARD BASED MEETINGS

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
Ward No 01	Cllr: M Phiri	Yes	3		4	
	WARD CORDINATOR: DIMO DANIEL					
	<b>Ward Committees:</b>					09/03/2017
	MAKHUMU SAMUEL					09/04/2017
	RANTSANA ANNA					22/04/2017
	MUDAU TSATSAWANI					
	LUKHWERENI JOYCE					
	MUNYAI RECTOR					
	NETSHITADE FIFHUFHELO					
	SINGO DAVID					
	MUSEKWA JOHANNA					
	LUKHELE OUPA					
	TSHIMAUSI NORAH					
Ward No 02	Cllr: S Shirelele	Yes	5			21/03/2017
	WAR CORDINATOR: PERTUNIA SIKO					22/03/2017
	<b>Ward Committees:</b>					05/04/2017
	MORAPA KOSIE					06/04/2017
	MATSHUSA ELIZABETH					27/04/2017
	MAOKA BELLA					
	NDHLOVU PETRUS					
	MUSIWA ELIZABETH					
	NDOU SOPHIE					
	MANENZHE PHILLIP					
	NEMAGUVHINI ERNEST					
	MASEBE SARAH					
	SEMATA RINAH					
Ward No 03	Cllr: T NARE	Yes				
	Cordinator: P Siko	Yes	5	5	1	23/02/2017
	<b>Ward Committees:</b>					09/03/2017
	1. MAHASELA AMOS					16/03/2017
	2. MASHUDU DHLIWAYO					19/03/2017
	3. SAMUEL MULEYA					



Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
	4. RENDANI MANENGENA					04/05/2017
	5. MARGARETH SINGO					18/04/2017
	6. PATRICK MAKHADO					
	7. ADAM KWINDA					
	8. MISHACK MUNYAI					
	9. SYDNEY MALEMA					
	10. GLORY MULEA					
	11. MAHASELA AMOS					
Ward No 04	Cllr: P Sakala	Yes	5	5	1	
	Cordinator: P Siko					11/01/2017
	<b>Ward Committees:</b>					16/01/2017
	VICTORIA BORRIE					22/02/2017
	KHATHUTSHELO TSHAKUMA					22/03/2017
	WILLIAN PHOSIWA					05/04/2017
	PAULINA BALOYI					22/06/2017
	SELLO MALADZHI					
	GEORGINA MATSHETE					
	JUSTICE LANGA					
	BINKY SEFAKE					
	ELLA DHLIWAYO					
	EVEREST MOYABA					
Ward No 05	Cllr: S Shirelele	Yes	2	2	1	
	Ward Cordinator: P Siko					12/04/2017
	<b>Ward Committees:</b>					

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
	1. KOSIE MORAPA					20/06/2017
	2. BELLA MAOKA					
	3. SEWELA MOSIWA					
	4. ELISABERTH MACHUSA					
	5. SOPHY NDOU					
	6. NDHLOVU PETRUS					
	7. PHILLIP MANENZHE					
Ward No 06	Cllr: J Khunwana	Yes	3	7	2	
	Ward Cordinator: P Siko					22/02/2017
	<b>Ward Committees:</b>					21/04/2017
	TSHIFHIWA TSEISA					21/06/2017
	ELIZABERTH NDOU					
	CAIPHUS MASHILA					
	SHONISANI KWINDA					
	LUFUNO MAFUNISA					
	TSHIFHIWA KWINDA					
	PIET MARUBINI					
	SUZAN KWINIKA					
	MAKUNGO L.A					
	ELIJAH MADIGUMA					
Ward No 07	Cllr: J Khunwana	Yes	7	7	2	
	Ward Cordinator: P Siko					21/01/2017
	<b>Ward Committees:</b>					11/02/2017
	TSHIFHIWA TSEISA					

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
	ELIZABERTH NDOU					18/03/2017
	CAIPHUS MASHILA					29/04/2017
	SHONISANI KWINDA					08/06/2017
	LUFUNO MAFUNISA					
	TSHIFHIWA KWINDA					
	PIET MARUBINI					
	SUZAN KWINIKA					
	MAKUNGO L.A					
	ELIJAH MADIGUMA					
Ward No 08	Cllr: MF Mafela	Yes	5	5	2	
	Ward Cordinator:					
	<b>Ward committees</b>					12/01/2017
	TSHIBALO PHINIUS					17/02/2017
	RAMBELANI CRISTINA					13/03/2017
	MUNYAI ROSINA					19/03/2017
	MUNYADZIWA LINDIWE					26/04/2017
	NDOU DAVID					29/04/2017
	MAANO NANCY					08/06/2017
	MUNYAI FHATUWANI JANE					
	RALIONA AGNES					
	NETHENGWE NDIVHUWO					
	NARE JAHANNES					
	Cllr: Netshipale	Yes	1	1	2	

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
Ward No 09	War Cordinator:					
	<b>Ward Committees:</b>					27/02/2017
	NEVHULAMBA CASSWELL					19/04/2017
	LIVHANDA MBONISENI WISDOM					
	KWINDA VICTOR					
	GRACE GODZWANA					
	RAMUFHI MATHEW					
	RAMPHABANA AZWINDINI					
	MAANO ANIK					
	BADZHI FLORAH					
	RAMATHUTHU PINK					
	TSHINAVHE JULIA					
Ward No 10	Cllr: Gadabeni	Yes	3	0	2	
	Ward Cordinator:					10/01/2017
	<b>Ward Committees:</b>					20/01/2017
	LIDZEBE TSHIFHIWA					17/02/2017
	LEMADE DAVID					24/03/2017
	NETSHIVHONGWENI MBULAHENI					13/04/2017
	NEMALAMANGWA L. DAVID					
	MPHIGALALE ALUWANI					
	MAKHUVHA NALEDZANI					
	MPHIDI ALUGUMI					

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
	NDOU GRACE					
	MALINDA NORAH					
	NGWANE ELINAH					
Ward No 11	Cllr: G Netshisaule	Yes	0	0	2	
	Ward Coordinator:					04/01/2017
	<b>Ward Committees:</b>					23/04/2017
	Mukondeleli H.K					
	TSHISUDZUNGWANE ROFHIWA					
	RAMUDZULI THIVHULAWI					
	MASHILA BETTINA					
	PHASANE FHUMULANI					
	NENGOVHELA NDIVHUWO					
	MPOSHOMALI TSHIFHIWA					
	MUKATUNI NKHUMISENI S.					
	MAKUNGO AZWIFARWI					
	TSHILIDZI SEANI					
Ward No 12	Cllr: P Mbedzi	Yes	10	10	2	
	Ward Coordinator:					21/01/2017
	<b>Ward Committees</b>					25/02/2017
	NETSHISAULU					
	THANYANI					18/03/2017
	JEFREY					03/05/2017

Ward Name (Number)	Name of Ward Councillor and Elected Ward Committee Members	Committee Established (Yes/No)	Number of Monthly Committee Meetings Held During Year	Number of Monthly Reports Submitted to Speakers 'Office on Time	Number of Quarterly Public Ward Meetings Held During Year	Dates
	HLUNGWANI					
	MASHULA					
	ELIZABETH					
	MUREMA					
	PETRUS					
	MBEDZI					
	TSUMBEDZO					
	SAMSON					
	MUKHALANGA					
	DELLY					
	GAVHI					
	NNDITSHENI					
	MUNZHELELE					
	SOLOMON					
	MPONDO					
	AUBREY					
	RAMAKOKOVHU					
	MULALO					

## APPENDIX F - WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2016/2017 (Full List in Appendix L)				
R'000				
Ward No	Project Name & Detail	Start Date	End Date	Total Value
Ward 3	Nancefield construction of storm water channel	June 2016	July 2017	R 6 295 300.00
Ward 4&5	Ext. 5 sports centre phase 2	June 2016	July 2017	R 2 228 000.00
Ward 5&6	Nancefield ext. 8&9 construction of roads	June 2016	July 2017	R 8 000 000.00
Ward 6	Musina walk-in centre	June 2016	July 2017	R 5 000 000.00
Ward 8	Madimbo sports centre phase 2	June 2016	July 2017	R 5 300 000.00
Ward 10	Tshipise/Matatane road	June 2016	July 2017	R 7 800 000.00

# **APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2016/2017**

DATE	Resolution	Responsible official	Due date	Comments / Progress	Date resolved
26-Aug-16	Report from fraud hotline on quarterly basis. The chairperson of the risk management committee promised to follow-up the matter with the District municipality.	Manager Risk management and Chairperson of RMC.	30-Sep-16	It was noted that the arrangements with the service provider is that reports from the fraud hotline are received through the district municipality. However, no incidents had been received during the quarter ended 31 December 2016. Manager risk management indicated that due to budget constraints, the budget for advertising materials was reallocated to other priority areas and that the municipality is currently marketing the fraud hotline by distributing flyers at the IDP meetings, displaying of banners at the municipal main office and displaying of suggestion box.	20-Mar-17
	Evaluation checklist for the assessment of audit committee be send to the members by 02 September 2016 and evaluation process complete by 30 September 2016.	Manager: Internal audit	30-Sep-16	The audit committee took note of the Audit committee assessment report and recommended it for submission to council as an annexure to the Audit Committee report.	20-Mar-17
	All documents on the agenda items should be distributed 7 days before the meeting.	Manager: Internal audit	24-Nov-16	Improvements were made and no documents are submitted during the meeting	Ongoing
	The AFS be submitted before the due date.	The CFO	30-Aug-16	Resolved. The 2015/16 Annual Financial statements were submitted by 30 August 2016	30-Aug-16
	Matters on the audit action plan are addressed.	CFO and Accounting officer	30-Sep-16	There were still unresolved issues on the action plan and management was still in a process of resolving them. The following issues were not resolved. 1. 30 days payment of suppliers 2. Investigation of UIFW expenditure 3. Condonement of UIFW expenditure 4. Use of consultants 5. Road maintenance plan and policy not in place 6. Overtime management	Ongoing
	The ICT, Fraud and Project risk registers be developed for 2016/17 financial year.	Manager Risk management	30-Sep-16	Manager risk management indicated that the ICT risk register was done and that there were challenges with regard to the completion of the fraud and Project risk registers mainly as a result of the different versions of the SDBIP held by the managers and the risk management unit. He indicated that the completion of the registers is in progress. The registers are now in place and were submitted to Risk management and audit committee	25-Aug-17



	The rating of the audit findings on the internal audit reports be in terms of the ratings criteria used by the AGSA.	Manager: Internal audit	30-Sep-16	The ratings criteria of the internal audit findings were subsequently amended	20-Mar-17
	The summary of the internal audit plan be attached to the progress report on the implementation of the audit plan.	Manager: Internal audit	30-Sep-16	Progress on the annual internal audit plan aligned to the annual internal audit plan	20-Mar-17
23-Nov-16	Finalisation of internal audit and Audit committee evaluation.	Manager: Internal audit	30-Sep-16	<p>The audit committee expressed their concerns with regard to the finalisation of the process for the evaluation of the audit committee and internal audit. Internal audit manager indicated the challenges experienced in the process mainly as a result of lack of feedback from management in a form of their rating allocation as per the evaluation forms.</p> <p>The Audit committee members resolved that the process for the evaluation be finalised regardless of the management's evaluation however it should be indicated in the evaluation forms that the management evaluation is pending.</p> <p>The process was finalised and reports submitted to audit committee on 14 June 2017</p>	14-Jun-17
25-Nov-16	Audit committee to assist MPAC with the process to resolve the UIF expenditure.	Audit committee	30-Jun-17	Management was requested to compile a register and report on UIFW expenditure incurred and Advocate Lambani was requested to help with this process. As at 30 June 2017 the item was not resolved	
	The audit committee advised management to develop an action plan to resolve the issues raised during the audit and also appreciated the initiatives already implemented to ensure that the issues raised during the audit are resolved.	CFO	01-Jan-17	Audit action plan was developed and approved by audit committee and council	25-Jan-17
	Requesting of marketing materials from the fraud hotline service provider	Manager risk management	As soon as possible	Manager risk management indicated that risk management unit did not receive marketing material from the VDM and further indicated that the municipality has budgeted for the marketing materials in the 2017/18 budget.	
	The audit committee advised on the relaunching of the fraud hotline on the radio by the new council.	Manager risk management	As soon as possible	Manager Risk management indicated that the contract with the fraud hotline service provider ends on September 2018 and considering the period it might not be viable to do the relaunching. The chairperson of the Risk management committee who is also the audit committee member Ms Tshikhudo requested that the item be revert back to the risk management committee for further deliberations so that a proper proposal on whether to continue with the shared service of the fraud hotline ,having own service provider or rely on the presidential hotline.	

	The audit committee advised on incorporating a meaningful percentage of risk management, internal and external audit on performance agreements of the section 56 managers for 2017/18 financial year.	Senior manager corporate services	30-Jun-17	Risk management is incorporated in the performance agreements of the section 56 managers for 2017/18 financial year.	Jun-17
	The development of a standard agenda template for HOD meetings and that internal audit, risk management and other governance departments be standing items on the agenda.	Senior manager corporate services	As soon as possible	Resolved. The acting municipal manager indicated that there is no standard agenda however managers are requested to submit items for discussion before the meetings so that issues can be addressed.	14-Jun-17
	Accounting officer to persuade council to engage the district municipal council to speed up the process of appointment of the Audit committee chairperson.	Accounting officer	As soon as possible	The appointment of the additional member of the audit committee was not finalised. The acting municipal manager indicated that the newly appointed municipal manager will deal	
	Reporting of Fruitless expenditure to the applicable institutions as a result of the interest from Eskom as and when it is incurred.	CFO	Monthly basis	Fruitless expenditure incurred to the value of R 14 646 370.16 was reported to Cogsta and AGSA on 14 June 2017.	14-Jun-17
	Audit action plan to have specific completion date, the current completion dates for all the findings is 30 June 2017.	CFO	17-Mar	Resolved.	21-Mar-17

	Preparation of a report on the UIFW by management and submission to the audit committee for review and comments by the end of the first week of April 2017.	Accounting officer and the CFO	07-Apr-17	<p>In progress documents were sent to Advocate Lambani for assistance with the completion of the register however the information submitted was not sufficient enough to completely resolve the audit finding. The item was discussed further and the following remarks were made</p> <ul style="list-style-type: none"> <li>• The AGSA indicated that council cannot condone a blanket amount of UIFW expenditure and further indicated that there is a need to have a total amount of UIFW expenditure broken down into cases to clearly indicate the causes and to allow a proper investigation.</li> <li>• The internal auditor indicated that the UIFW expenditure in question is old dating back 5 years ago and increasing every year. She further indicated that the municipality is unable to breakdown the closing balance into incidences in a register.</li> <li>• The audit committee advised that the municipality need to establish what constituted the balances of UIFW expenditure case by case and indicated that probably this was non-compliance with supply chain regulations on previously awarded tenders.</li> <li>• The CFO indicated that some of the balances are as a result of the forensic investigations conducted years back and the municipality is not in position of the forensic report.</li> <li>• The audit committee resolved that the municipality should find out from whoever initiated the forensic investigation for the report and that the municipality should keep a register of those cases where there is evidence so that we are able to reduce the UIFW expenditure and submit the register to the audit committee in the next meeting.</li> </ul>	In progress
	The summary of the performance report presented should include the reasons for the variance	Senior manager corporate services		Resolved. Reason for variance are documented on the consolidated quarterly performance report	20-Mar-17
20-Mar-17	Insertion of a Colum on the performance report to indicate a progress with regard to the indicators targeted for the last quarter. The audit committee highlighted that this will help the municipality to track progress on the realisation of those indicators and to avoid surprises at yearend.	Senior manager corporate services		Resolved.All indicators are reported on quarterly basis	20-Mar-17
	Appointment of the municipal manager of another municipality outside the district for performance assessment and to consider the municipality which is good in performance information so that the municipality can also learn from them.	Senior manager corporate services		Municipal manager from Makhado municipality was invited for the performance assessment however Musina municipality received his apology on the day of the assessment.Mr MB from Coghsta advised that the assessment may proceed.	16-Aug-17
	The progress on the previous action plans from the risk management committee report be included on the Risk committee action plan.	Manager risk management		Resolved	14-Jun-17

	To relook at the current controls and actions to improve performance on the strategic risk register.	Manager risk management		Resolved	14-Jun-17
	The committee also indicated the issue of risk maturity.it was resolved that the role players will assist so that the process is done by 30 June 2017.	Manager risk management	30-Jun-17	The chairperson of the risk management committee indicated that maturity assessment will be conducted by the 30th June 2017 and that she will provide risk management unit with the template for conducting the survey.	
	Updating of the payments made for the cases registered on the litigation register	Manager legal services		Resolved	14-Jun-17
	Enrolling of the matters with the court with regard to the long outstanding cases against the municipality.	Manager legal services		The manager legal services indicated that no cases were enrolled with the courts for finalisation due to cash flow constraints and that the enrolling of the case depends on the merits of each case and the cost of finalisation. Audit committee member advocate Lambani also highlighted that he went through the litigation register and noted that sometimes enrolling matters for finalisation may be speeding up liabilities for the municipality, imposing a risk of losing cases as we are not in control of the matter. He also indicated that the municipality should write letters to the legal firms dealing with the stagnant cases to temporarily close the cases until there is an action taken on them so that the municipality does not incur unnecessary payments. It was also indicated that the municipality need to have a service standard to deal with challenges that led to the municipality being sued.	
	Removal of the expired contracts on the contract register	Manager legal services and Manager SCM		Resolved	14-Jun-17
	Report to audit committee in the next meeting the impact of the extension of the contracts in terms of the possibility of irregular expenditure	Manager legal services and Manager SCM		Manager legal services indicated that nothing prohibited the extension in terms of the contract on the hiring earth moving equipment. The audit committee noted that the contract for the panel of attorneys is expiring on 30 June 2017.They wanted an assurance that a new contract will be in place on July 2017.Manager legal services indicated that there might be a need for extension of the contract as the appointment of the new service provider is still underway.	14-Jun-17
	Development of a compliance register	Senior manager corporate services		It was indicated that a draft guidance from national treasury was send to internal audit to assist management in compiling their own compliance register.Municipality is in a process of developing the compliance register.	In progress

Internal audit reports discussed in the HOD meetings before they are presented to the audit committee meetings.	Manager Internal audit		The acting municipal manager indicated that managers are send agenda items before the extended HOD meetings are held and further indicated that managers are always welcomed to include their items for discussions .Internal audit was advised to use this opportunity to present their audit findings.Currently internal audit reports were discussed with the manager and the general manager from whom the audit affect.	
Action plan to be developed to monitor areas of improvements identified on the internal audit assessment	Manager internal audit		Action plan developed and approved by Audit committee	14-Jun-17
Training and development of the internal audit staff to keep abreast of the profession and to remain relevant. The municipality was advised to financially support the unit in this regard.	Accounting officer and the CFO		The acting municipal manager urged the unit to request financial support whenever they have identified a training need. Internal audit unit attended a three days annual conference hosted by the Insitute of Internal auditors in August 2017.	Ongoing
Verification of fruitless expenditure reported to COGHSTA and AGSA	Manager Internal audit	30-Jun-17	Fruitless expenditure incurred to the value of R 14 646 370.16 was reported to Cogsta and AGSA on 14 June 2017.	14-Jun-17
To request a forensic report from the person who initiated the forensic investigation of UIFW expenditure, to keep a register of those cases where there is evidence in order to reduce the UIFW expenditure and submit the register of UIF expenditure to audit committee in the next meeting.	The CFO	30-Jun-17	In progress .The acting CFO indicated that a financial misconduct committee is to be established and that this committee will deal with issues of UIFW expenditure. The audit committee indicated that this financial misconduct committee will assist with the investigation and that management still need to provide evidence to allow the process of the investigations to unfold.	
To develop a service standards to be able to deal with service delivery complains.	Acting general manager Corporate services	30-Jun-17	It was indicated that the document was completed per the departments and is in a process of consolidation and should be ready by December 2017.	In progress
Reporting to audit committee the results/progress of the overtime management with regard to shifts call centre and other cost containment management.	CFO and the accounting officer	Next audit committee meeting	The acting CFO indicated that overtime expense has decreased and as a result of implementing overtime plans and cutting overtime claims to 40 hours per month per employee.	25-Aug-17
Submission to audit committee the third quarter section 71 report not discussed in the 14 June 2017 audit committee meeting.	CFO	Next audit committee meeting	Resolved	25-Aug-17
Accounting officer should issue a notice to all staff members to communicate that employees must not do business with the state and have the option of resigning from either the private company or the state.	The Accounting officer	30-Jun-17	It was indicated that councillors were issued declarations of interest forms. The Audit committee advised management to ensure that councillors and employees declaration of interests in terms of the services of the state and private business are finalised.	
Accounting officer should ensure that all employees and councillors declare their interest in terms of service of the state	The Accounting officer	30-Jun-17	It was indicated that councillors were issued declarations of interest forms. The Audit committee advised management to ensure that councillors and employees declaration of interests in terms of the services of the state and private business are finalised.	

	as well as private businesses during the start of the financial year 2017/18.				
	Internal audit should also ensure that audit committee members declare on their appointment conflict of .	Manager internal audit	01-Apr-18	Will be confirmed when new appointments are made in April 2018	
	Accounting officer to ensure that the findings on the audit action plan are resolved by 30 June 2017.	CFO and all the General managers	30-Jun-17	33 audit findings issued,27 Resolved and 6 in a process of being resolved	Ongoing
	Internal audit report to audit committee by 02 July 2017 on the status of the action plan as at 30 June 2017.	Manager internal audit	02-Jul-17	The status had not changed by yearend out of 33 audit findings issued,27 Resolved and 6 in a process of being resolved.	25-Aug-17
14-Jun-17	Items deferred to the next audit committee meeting  6.1 2015/2016 Annual performance assessment 6.2 2016/2017 half-year performance assessment 3rd Quarter performance management report 2016/2017 6.3 Performance Management Policy Framework 2017/2018 6.4 SDBIP 2017/2018	Acting general manager Corporate services	Next audit committee meeting	The Chairperson indicated that he was invited to the performance assessment which took place on 16 August 2017. The audit committee resolved that the performance assessment report be submitted to the committee as well as the 2017/18 SDBIP. It was indicated that the audit comments from the SDBIP will be incorporated during the adjustment period of the SDBIP.  The performance assessments reports and the SDBIP were send to the acting chairperson of the audit committee on 19 October 2017	
	The rating of the audit findings on the internal audit report on compliance be amended as all of the findings were rated as medium.	Manager Internal audit	30-Jun-17	Resolved .The ratings of the internal audit findings were subsequently amended,	30-Jun-17
	The outstanding management comments be incorporated into the internal audit reports, that the responses should indicate commitments to correct going forward and that the comments should give assurance that findings will not recur.	Manager Internal audit	30-Jun-17	Resolved Management responses were incorporated in the internal audit findings and reports	30-Jun-17
	The summary of the internal audit findings with management comments are send to the audit committee to get an assurance that plans are in place to resolve issues identified by internal audit.	Manager Internal audit	02-Jul-17	Resolved	30-Jun-17
	That management should initiate an investigation to verify the ownership of properties listed on the internal audit report on revenue collection and receivables to determine ownership and make new arrangements to account for the properties owned by the municipality.	Manager legal services	30-Jun-17	In progress .Manager legal services indicated that the municipality is in a process of verifying ownership of various properties. He indicated that by end of second quarter a report will be available and the list of properties verified. An update will be given in the next audit committee meeting.	

	That management report to the audit committee in the next meeting the status of the issues indicated above.	Manager legal services	Next audit committee meeting	To be reported in the next ordinary audit committee meeting scheduled for January 2018	
	That internal audit should incorporate management comments on the internal audit report on the review of the draft 2015/16 AFS, indicate if the findings has an impact on the 2016/17 AFS and report to audit committee.	Manager Internal audit	02-Jul-17	Management comments were incorporated in the report.Only UIFW expenditure has an impact on the current year audit.	25-Aug-17
	Item 10 on Information technology was deferred to the next meeting	Manager ICT	Next audit committee meeting	To be discussed in the next ordinary audit committee meeting scheduled for January 2018	

DATE	Resolution	Responsible official	Due date	Comments / Progress	Date resolved
26-Aug-16	Report from fraud hotline on quarterly basis. The chairperson of the risk management committee promised to follow-up the matter with the District municipality.	Manager Risk management and Chairperson of RMC.	30-Sep-16	It was noted that the arrangements with the service provider is that reports from the fraud hotline are received through the district municipality. However, no incidents had been received during the quarter ended 31 December 2016. Manager risk management indicated that due to budget constraints, the budget for advertising materials was reallocated to other priority areas and that the municipality is currently marketing the fraud hotline by distributing flyers at the IDP meetings, displaying of banners at the municipal main office and displaying of suggestion box.	20-Mar-17
	Evaluation checklist for the assessment of audit committee be send to the members by 02 September 2016 and evaluation process complete by 30 September 2016.	Manager: Internal audit	30-Sep-16	The audit committee took note of the Audit committee assessment report and recommended it for submission to council as an annexure to the Audit Committee report.	20-Mar-17
	All documents on the agenda items should be distributed 7 days before the meeting.	Manager: Internal audit	24-Nov-16	Improvements were made and no documents are submitted during the meeting	Ongoing
	The AFS be submitted before the due date.	The CFO	30-Aug-16	Resolved. The 2015/16 Annual Financial statements were submitted by 30 August 2016	30-Aug-16

	Matters on the audit action plan are addressed.	CFO and Accounting officer	30-Sep-16	There were still unresolved issues on the action plan and management was still in a process of resolving them. The following issues were not resolved. 1. 30 days payment of suppliers 2. Investigation of UIFW expenditure 3. Condonement of UIFW expenditure 4. Use of consultants 5. Road maintenance plan and policy not in place 6. Overtime management	Ongoing
	The ICT, Fraud and Project risk registers be developed for 2016/17 financial year.	Manager Risk management	30-Sep-16	Manager risk management indicated that the ICT risk register was done and that there were challenges with regard to the completion of the fraud and Project risk registers mainly as a result of the different versions of the SDBIP held by the managers and the risk management unit. He indicated that the completion of the registers is in progress. The registers are now in place and were submitted to Risk management and audit committee	25-Aug-17
	The rating of the audit findings on the internal audit reports be in terms of the ratings criteria used by the AGSA.	Manager: Internal audit	30-Sep-16	The ratings criteria of the internal audit findings were subsequently amended	20-Mar-17
	The summary of the internal audit plan be attached to the progress report on the implementation of the audit plan.	Manager: Internal audit	30-Sep-16	Progress on the annual internal audit plan aligned to the annual internal audit plan	20-Mar-17
23-Nov-16	Finalisation of internal audit and Audit committee evaluation.	Manager: Internal audit	30-Sep-16	The audit committee expressed their concerns with regard to the finalisation of the process for the evaluation of the audit committee and internal audit. Internal audit manager indicated the challenges experienced in the process mainly as a result of lack of feedback from management in a form of their rating allocation as per the evaluation forms. The Audit committee members resolved that the process for the evaluation be finalised regardless of the management's evaluation however it should be indicated in the evaluation forms that the management evaluation is pending.  The process was finalised and reports submitted to audit committee on 14 June 2017	14-Jun-17
25-Nov-16	Audit committee to assist MPAC with the process to resolve the UIF expenditure.	Audit committee	30-Jun-17	Management was requested to compile a register and report on UIFW expenditure incurred and Advocate Lambani was requested to help with this process. As at 30 June 2017 the item was not resolved	
	The audit committee advised management to develop an action plan to resolve the issues raised during the audit and also appreciated the initiatives already implemented to ensure that the issues raised during the audit are resolved.	CFO	01-Jan-17	Audit action plan was developed and approved by audit committee and council	25-Jan-17



Requesting of marketing materials from the fraud hotline service provider	Manager risk management	As soon as possible	Manager risk management indicated that risk management unit did not receive marketing material from the VDM and further indicated that the municipality has budgeted for the marketing materials in the 2017/18 budget.	
The audit committee advised on the relaunching of the fraud hotline on the radio by the new council.	Manager risk management	As soon as possible	Manager Risk management indicated that the contract with the fraud hotline service provider ends on September 2018 and considering the period it might not be viable to do the relaunching. The chairperson of the Risk management committee who is also the audit committee member Ms Tshikhudo requested that the item be revert back to the risk management committee for further deliberations so that a proper proposal on whether to continue with the shared service of the fraud hotline ,having own service provider or rely on the presidential hotline.	
The audit committee advised on incorporating a meaningful percentage of risk management, internal and external audit on performance agreements of the section 56 managers for 2017/18 financial year.	Senior manager corporate services	30-Jun-17	Risk management is incorporated in the performance agreements of the section 56 managers for 2017/18 financial year.	Jun-17
The development of a standard agenda template for HOD meetings and that internal audit, risk management and other governance departments be standing items on the agenda.	Senior manager corporate services	As soon as possible	Resolved. The acting municipal manager indicated that there is no standard agenda however managers are requested to submit items for discussion before the meetings so that issues can be addressed.	14-Jun-17
Accounting officer to persuade council to engage the district municipal council to speed up the process of appointment of the Audit committee chairperson.	Accounting officer	As soon as possible	The appointment of the additional member of the audit committee was not finalised.The acting municipal manager indicated that the newly appointed municipal manager will deal	
Reporting of Fruitless expenditure to the applicable institutions as a result of the interest from Eskom as and when it is incurred.	CFO	Monthly basis	Fruitless expenditure incurred to the value of R 14 646 370.16 was reported to Cogsta and AGSA on 14 June 2017.	14-Jun-17
Audit action plan to have specific completion date, the current completion dates for all the findings is 30 June 2017.	CFO	17-Mar	Resolved.	21-Mar-17

	Preparation of a report on the UIFW by management and submission to the audit committee for review and comments by the end of the first week of April 2017.	Accounting officer and the CFO	07-Apr-17	<p>In progress documents were sent to Advocate Lambani for assistance with the completion of the register however the information submitted was not sufficient enough to completely resolve the audit finding. The item was discussed further and the following remarks were made</p> <ul style="list-style-type: none"> <li>• The AGSA indicated that council cannot condone a blanket amount of UIFW expenditure and further indicated that there is a need to have a total amount of UIFW expenditure broken down into cases to clearly indicate the causes and to allow a proper investigation.</li> <li>• The internal auditor indicated that the UIFW expenditure in question is old dating back 5 years ago and increasing every year. She further indicated that the municipality is unable to breakdown the closing balance into incidences in a register.</li> <li>• The audit committee advised that the municipality need to establish what constituted the balances of UIFW expenditure case by case and indicated that probably this was non-compliance with supply chain regulations on previously awarded tenders.</li> <li>• The CFO indicated that some of the balances are as a result of the forensic investigations conducted years back and the municipality is not in position of the forensic report.</li> <li>• The audit committee resolved that the municipality should find out from whoever initiated the forensic investigation for the report and that the municipality should keep a register of those cases where there is evidence so that we are able to reduce the UIFW expenditure and submit the register to the audit committee in the next meeting.</li> </ul>	In progress
	The summary of the performance report presented should include the reasons for the variance	Senior manager corporate services		Resolved. Reason for variance are documented on the consolidated quarterly performance report	20-Mar-17
20-Mar-17	Insertion of a Colum on the performance report to indicate a progress with regard to the indicators targeted for the last quarter. The audit committee highlighted that this will help the municipality to track progress on the realisation of those indicators and to avoid surprises at yearend.	Senior manager corporate services		Resolved.All indicators are reported on quarterly basis	20-Mar-17
	Appointment of the municipal manager of another municipality outside the district for performance assessment and to consider the municipality which is good in performance information so that the municipality can also learn from them.	Senior manager corporate services		Municipal manager from Makhado municipality was invited for the performance assessment however Musina municipality received his apology on the day of the assessment.Mr MB from Coghsta advised that the assessment may proceed.	16-Aug-17
	The progress on the previous action plans from the risk management committee report be included on the Risk committee action plan.	Manager risk management		Resolved	14-Jun-17
	To relook at the current controls and actions to improve performance on the strategic risk register.	Manager risk management		Resolved	14-Jun-17

	The committee also indicated the issue of risk maturity.it was resolved that the role players will assist so that the process is done by 30 June 2017.	Manager risk management	30-Jun-17	The chairperson of the risk management committee indicated that maturity assessment will be conducted by the 30th June 2017 and that she will provide risk management unit with the template for conducting the survey.	
	Updating of the payments made for the cases registered on the litigation register	Manager legal services		Resolved	14-Jun-17
	Enrolling of the matters with the court with regard to the long outstanding cases against the municipality.	Manager legal services		The manager legal services indicated that no cases were enrolled with the courts for finalisation due to cash flow constraints and that the enrolling of the case depends on the merits of each case and the cost of finalisation. Audit committee member advocate Lambani also highlighted that he went through the litigation register and noted that sometimes enrolling matters for finalisation may be speeding up liabilities for the municipality, imposing a risk of losing cases as we are not in control of the matter. He also indicated that the municipality should write letters to the legal firms dealing with the stagnant cases to temporarily close the cases until there is an action taken on them so that the municipality does not incur unnecessary payments. It was also indicated that the municipality need to have a service standard to deal with challenges that led to the municipality being sued.	
	Removal of the expired contracts on the contract register	Manager legal services and Manager SCM		Resolved	14-Jun-17
	Report to audit committee in the next meeting the impact of the extension of the contracts in terms of the possibility of irregular expenditure	Manager legal services and Manager SCM		Manager legal services indicated that nothing prohibited the extension in terms of the contract on the hiring earth moving equipment. The audit committee noted that the contract for the panel of attorneys is expiring on 30 June 2017.They wanted an assurance that a new contract will be in place on July 2017.Manager legal services indicated that there might be a need for extension of the contract as the appointment of the new service provider is still underway.	14-Jun-17
	Development of a compliance register	Senior manager corporate services		It was indicated that a draft guidance from national treasury was send to internal audit to assist management in compiling their own compliance register.Municipality is in a process of developing the compliance register.	In progress
	Internal audit reports discussed in the HOD meetings before they are presented to the audit committee meetings.	Manager Internal audit		The acting municipal manager indicated that managers are send agenda items before the extended HOD meetings are held and further indicated that managers are always welcomed to include their items for discussions .Internal audit was advised to use this opportunity to present their audit findings.Currently internal audit reports were discussed with the manager and the general manager from whom the audit affect.	

Action plan to be developed to monitor areas of improvements identified on the internal audit assessment	Manager internal audit		Action plan developed and approved by Audit committee	14-Jun-17
Training and development of the internal audit staff to keep abreast of the profession and to remain relevant. The municipality was advised to financially support the unit in this regard.	Accounting officer and the CFO		The acting municipal manager urged the unit to request financial support whenever they have identified a training need. Internal audit unit attended a three days annual conference hosted by the Institute of Internal auditors in August 2017.	Ongoing
Verification of fruitless expenditure reported to COGHSTA and AGSA	Manager Internal audit	30-Jun-17	Fruitless expenditure incurred to the value of R 14 646 370.16 was reported to Cogsta and AGSA on 14 June 2017.	14-Jun-17
To request a forensic report from the person who initiated the forensic investigation of UIFW expenditure, to keep a register of those cases where there is evidence in order to reduce the UIFW expenditure and submit the register of UIF expenditure to audit committee in the next meeting.	The CFO	30-Jun-17	In progress .The acting CFO indicated that a financial misconduct committee is to be established and that this committee will deal with issues of UIFW expenditure. The audit committee indicated that this financial misconduct committee will assist with the investigation and that management still need to provide evidence to allow the process of the investigations to unfold.	
To develop a service standards to be able to deal with service delivery complains.	Acting general manager Corporate services	30-Jun-17	It was indicated that the document was completed per the departments and is in a process of consolidation and should be ready by December 2017.	In progress
Reporting to audit committee the results/progress of the overtime management with regard to shifts call centre and other cost containment management.	CFO and the accounting officer	Next audit committee meeting	The acting CFO indicated that overtime expense has decreased and as a result of implementing overtime plans and cutting overtime claims to 40 hours per month per employee.	25-Aug-17
Submission to audit committee the third quarter section 71 report not discussed in the 14 June 2017 audit committee meeting.	CFO	Next audit committee meeting	Resolved	25-Aug-17
Accounting officer should issue a notice to all staff members to communicate that employees must not do business with the state and have the option of resigning from either the private company or the state.	The Accounting officer	30-Jun-17	It was indicated that councillors were issued declarations of interest forms. The Audit committee advised management to ensure that councillors and employees declaration of interests in terms of the services of the state and private business are finalised.	
Accounting officer should ensure that all employees and councillors declare their interest in terms of service of the state as well as private businesses during the start of the financial year 2017/18.	The Accounting officer	30-Jun-17	It was indicated that councillors were issued declarations of interest forms. The Audit committee advised management to ensure that councillors and employees declaration of interests in terms of the services of the state and private business are finalised.	

	Internal audit should also ensure that audit committee members declare on their appointment conflict of .	Manager internal audit	01-Apr-18	Will be confirmed when new appointments are made in April 2018	
	Accounting officer to ensure that the findings on the audit action plan are resolved by 30 June 2017.	CFO and all the General managers	30-Jun-17	33 audit findings issued,27 Resolved and 6 in a process of being resolved	Ongoing
	Internal audit report to audit committee by 02 July 2017 on the status of the action plan as at 30 June 2017.	Manager internal audit	02-Jul-17	The status had not changed by yearend out of 33 audit findings issued,27 Resolved and 6 in a process of being resolved.	25-Aug-17
14-Jun-17	Items deferred to the next audit committee meeting 6.1 2015/2016 Annual performance assessment 6.2 2016/2017 half-year performance assessment 3rd Quarter performance management report 2016/2017 6.3 Performance Management Policy Framework 2017/2018 6.4 SDBIP 2017/2018	Acting general manager Corporate services	Next audit committee meeting	The Chairperson indicated that he was invited to the performance assessment which took place on 16 August 2017. The audit committee resolved that the performance assessment report be submitted to the committee as well as the 2017/18 SDBIP. It was indicated that the audit comments from the SDBIP will be incorporated during the adjustment period of the SDBIP.  The performance assessments reports and the SDBIP were send to the acting chairperson of the audit committee on 19 October 2017	
	The rating of the audit findings on the internal audit report on compliance be amended as all of the findings were rated as medium.	Manager Internal audit	30-Jun-17	Resolved .The ratings of the internal audit findings were subsequently amended,	30-Jun-17
	The outstanding management comments be incorporated into the internal audit reports, that the responses should indicate commitments to correct going forward and that the comments should give assurance that findings will not recur.	Manager Internal audit	30-Jun-17	Resolved Management responses were incorporated in the internal audit findings and reports	30-Jun-17
	The summary of the internal audit findings with management comments are send to the audit committee to get an assurance that plans are in place to resolve issues identified by internal audit.	Manager Internal audit	02-Jul-17	Resolved	30-Jun-17
	That management should initiate an investigation to verify the ownership of properties listed on the internal audit report on revenue collection and receivables to determine ownership and make new arrangements to account for the properties owned by the municipality.	Manager legal services	30-Jun-17	In progress .Manager legal services indicated that the municipality is in a process of verifying ownership of various properties. He indicated that by end of second quarter a report will be available and the list of properties verified. An update will be given in the next audit committee meeting.	
	That management report to the audit committee in the next meeting the status of the issues indicated above.	Manager legal services	Next audit committee meeting	To be reported in the next ordinary audit committee meeting scheduled for January 2018	

	That internal audit should incorporate management comments on the internal audit report on the review of the draft 2015/16 AFS, indicate if the findings has an impact on the 2016/17 AFS and report to audit committee.	Manager Internal audit	02-Jul-17	Management comments were incorporated in the report.Only UIFW expenditure has an impact on the current year audit.	25-Aug-17
	Item 10 on Information technology was deferred to the next meeting	Manager ICT	Next audit committee meeting	To be discussed in the next ordinary audit committee meeting scheduled for January 2018	

**APPENDIX H – LONG-TERM CONTRACTS AND PUBLIC - PRIVATE PARTNERSHIPS**

**NOT APPLICABLE**

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

**NOT APPLICABLE**



## APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2015 - 30 June 2016		
Position	Name	Description of Financial Interest* (Nil/or details)
( Mayor)	Cllr Mhloti Muhlope	Nil
Speaker	Cllr Gilbert Netshisaulu	Nil
EXCO members	Cllr Siyaphi Shirelele	Nil
	Cllr Nkele Milanzi	Nil
	Cllr Jeremia Khunwana	Nil
	Cllr C Magwira	Nil
Councillors	24 councillors	Nil
Municipal Manager	Thovhedzo Tshivanammbi	Nil
Other S56 Managers		Nil
General Manager Community Services	Richard Morolana	Nil
General Manager Economic Development	Thovhedzo Tshivanammbi	Nil
Chief Financial Officer	Vhutshilo Tshikundamalema	Nil

## APPENDIX K - REVENUE COLLECTION PERFORMANCE

Description	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	1	2	3	5	6	7	9	10	11
<b>Revenue By Source</b>									
Property rates	15 049 600	602 987	15 652 587	-	15 652 587	17 025 929	1 373 342	109	113
Service charges - electricity revenue	85 451 873	7 354 308	92 806 181	-	92 806 181	97 173 950	4 367 769	105	114
Service charges - refuse revenue	13 545 527	384 994	13 930 521	-	13 930 521	14 277 580	347 059	102	105
Rental of facilities and equipment	620 000	636 618	1 256 618	-	1 256 618	1 141 369	(115 249)	91	184
Interest earned - external investments	-	897 000	897 000	-	897 000	1 404 420	507 420	157	-
Interest earned - outstanding debtors	583 000	1 269 000	1 852 000	-	1 852 000	3 014 284	1 162 284	163	517
Fines	1 790 000	-	1 790 000	-	1 790 000	2 447 250	657 250	137	137
Licences and permits	3 770 000	-	3 770 000	-	3 770 000	3 637 028	(132 972)	96	96
Transfers recognised - operational	97 852 000	20 000 000	117 852 000	-	117 852 000	111 104 000	(6 748 000)	94	114
Other revenue	33 848 000	1 049 439	34 897 439	-	34 897 439	3 461 628	(31 435 811)	10	10
Gains on disposal of PPE			-		-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>252 510 000</b>	<b>32 194 346</b>	<b>284 704 346</b>	<b>-</b>	<b>284 704 346</b>	<b>254 687 438</b>	<b>(30 016 908)</b>	<b>89</b>	<b>101</b>
<b>Expenditure By Type</b>									
Employee related costs	100 798 852	191 148	100 990 000	10 516 338	111 506 338	115 171 841	3 665 503	103	114
Remuneration of councillors	4 192 000	4 818 925	9 010 925	(488 516)	8 522 409	8 522 405	(4)	100	203
Debt impairment			-		-	2 286 327	2 286 327		
Debt impairment traffic					-	833 885	833 885		
bad debt	500 000	-	500 000	5 224 820	5 724 820	4 890 936	(833 884)	85	978
Depreciation & asset impairment	28 500 000	-	28 500 000	-	28 500 000	26 849 089	(1 650 911)	94	94
Finance charges	3 750 000	(1 812 000)	1 938 000	(762 682)	1 175 318	2 055 667	880 349	175	55
Bulk purchases	66 000 000	8 402 073	74 402 073	7 314 230	81 716 303	78 457 267	(3 259 036)	96	119
Other materials	1 790 000	5 779 573	7 569 573	(460 814)	7 108 759	12 793 837	5 685 078	180	715
Contracted services	10 800 000	-	10 800 000	(2 525 892)	8 274 108	8 274 108	(0)	100	77
Transfers and grants	1 879 000	37 000	1 916 000	7 231 855	9 147 855	7 220 096	(1 927 759)	79	384
Other expenditure	33 050 060	14 778 369	47 828 429	5 301 090	53 129 519	24 136 217	(28 993 302)	45	73
Loss on disposal of PPE			-		-				
<b>Total Expenditure</b>	<b>251 259 912</b>	<b>32 195 088</b>	<b>283 455 000</b>	<b>31 350 429</b>	<b>314 805 429</b>	<b>291 491 674</b>	<b>(23 313 755)</b>	<b>93</b>	<b>116</b>
<b>Surplus/(Deficit)</b>									
Transfers recognised - capital	-		-		-	28 893 888	28 893 888	-	-
Contributions recognised - capital	38 814 000		38 814 000		38 814 000	38 814 000	-	100	-
Contributed assets	<b>1 250 000</b>		1 250 000		1 250 000	756 564	(493 436)	61	(39)
<b>Surplus/(Deficit) after capital</b>	<b>40 064 000</b>	<b>-</b>	<b>40 064 000</b>	<b>-</b>	<b>40 064 000</b>	<b>68 464 452</b>	<b>28 400 452</b>	<b>161</b>	<b>(39)</b>

transfers & contributions									
Taxation									
Surplus/(Deficit) after taxation									
Attributable to minorities									
Surplus/(Deficit) attributable to municipality									
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	41 314 088	(742)	41 313 346	(31 350 429)	9 962 917	(105 268 688)	21 697 299	157	(55)

Description	Original Budget	Total Adjusts.	Adjusted Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft			-		-	
Borrowing	4 647 000	-	4 647 000	7 485 038	2 838 038	161.07%
Finance lease liabilities			-	-	-	0.00%
Consumer deposits			-	4 688 485	4 688 485	0.00%
Trade and other payables	103 217 000	-	103 217 000	425 888 118	322 671 118	412.61%
Provisions	-	-	-	4 874 384	4 874 384	0.00%
<b>Total current liabilities</b>	<b>107 864 000</b>	<b>-</b>	<b>107 864 000</b>	<b>442 936 025</b>	<b>335 072</b>	<b>573.69%</b>
<b>Non current liabilities</b>						
Borrowing	27 059 000	-	27 059 000	9 925 643	-17 133 357	36.68%
Provisions	1 658 000	-	1 658 000	20 760 410	19 102 410	1252.14%
<b>Total non current liabilities</b>	<b>28 717 000</b>	<b>-</b>	<b>28 717 000</b>	<b>30 686 053</b>	<b>1 969</b>	<b>1288.82%</b>
<b>TOTAL LIABILITIES</b>	<b>136 581 000</b>	<b>-</b>	<b>136 581 000</b>	<b>473 622 077</b>	<b>337 041</b>	<b>1862.50%</b>
<b>NET ASSETS</b>	<b>489 378 000</b>	<b>17 242 000</b>	<b>506 620 000</b>	<b>261 091 273</b>	<b>(245 529)</b>	<b>-4343.36%</b>

**APPENDIX L - CONDITIONAL GRANTS RECEIVED EXCLUDING MIG**

2016/ 2017 Conditional Grants: Excluding MIG						
R`000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary
				Budget	Adjustment Budget	
INEP	R 3,600 M	0	R 2,300 M	36%	0%	Electrification
FMG	R 1,825 M	0	R 1,825 M	0%	0%	Capacity building
MSIG	0	0	0	0%	0%	N/A
Other: EPWP	R 1,879 M	0	R 1,879 M	0%	0%	Job creation
<b>Total</b>	<b>R 7,304 M</b>	<b>0</b>	<b>R 6,004 M</b>	<b>36%</b>	<b>36%</b>	

**APPENDIX M – CAPITAL EXPENDITURE NEW/ UPGRADE/ RENEWAL PROGRAMMES INCLUDING MIG**

**Municipal Infrastructure Grant (MIG)\* Expenditure 2016/17 on Service backlogs**

<b>Details</b>	<b>Budget Amount</b>	<b>Actual Expenditure</b>	<b>Retention</b>	<b>Total Amount Spend</b>	<b>Total Expenditure</b>	<b>Unspent Amount</b>	<b>Project Status</b>
extention 8 & 9 Roads	8 000 000.00	6 471 099	389 431.76	6 860 530.79	7 821 005.09	178 994.91	Not completed
Tshipise Matatane Road	7 800 000.00	4 985 569	697714.33	5 683 283.71	6 479 828.73	1 320 171.27	Not completed
Nancefield stormwater	6 295 300.00	4 790 092	529 985.00	5 320 077.00	6 061 416.82	233 883.18	Not completed
Walk in centre	5 000 000.00	4 322 368	-	4 322 368.42	4 927 500.00	72 500.00	Not completed
Sport centre ex 5 phase 2	2 249 537.00	1 398 582	82304.73	1 480 886.50	1 495 468.76	754 068.24	Not completed
Madimbo sport centre phase 2	5 300 000.00	4 091 384	305 168.17	4 396 552.20	4 936 924.11	363 075.89	Not completed

**APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2016/2017**

<b>Capital Programme by Project 2016/2017 (,000)</b>					
<b>R'000</b>					
<b>Name of Project</b>	<b>Current Year</b>			<b>Variance Current Year</b>	
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Original Variance (%)</b>	<b>Adjustment Variance (%)</b>
Extension 8&9 roads	8 000 000	0	7 821 005.09	2%	0
Tshipise Matatane roads	7 800 000	0	6 479 828.73	17%	0
Nancefield stormwater	6 295 300	0	6 061 416	4%	0
Madimbo sport centre	5 300 000	0	4 936 924	17%	0
Walk in centre	5 000 000	0	4 927 500	1%	0
Sports Centre Phase 2 ext. 5	2 228 000	0	1 398 582	17%	0

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2016/2017

### 2014/ 2015 MIG PROJECTS

PROJECT NAME	PROJECT BUDGET	WARD
Domboni satellite office	R 800 000.00	Ward 08
Nancefield community high mast	R 1 500 000.00	Ward 2,3,4 & 5
Nancefield ext.6 sports centre phase 2	R 1 000 000.00	Ward 06
Nancefield ext.1 renovation of community hall	R 2 500 000.00	Ward 03
Madimbo ext of Thusong centre	R 1 200 000.00	Ward 08
Nancefield construction of gymnasium	R 2 300 000.00	Ward 03
Nancefield ext.8 construction of paved roads	R 7 143 000.00	Ward 2

### 2015/ 2016 MIG PROJECTS

PROJECT NAME	PROJECT BUDGET	WARD
Nancefield ext. 9 concrete paved roads	R 9 154 000.00	Ward 05
Traffic Department office	R 6 154 000.00	Ward 04
Madimbo sports centre phase 2	R 5 500 000.00	Ward 08

### 2016/ 2017 MIG PROJECTS

PROJECT NAME	PROJECT BUDGET	WARD
Nancefield ext. 8&9 concrete paved roads	R 8 000 000.00	Ward 2&5
Madimbo sports centre phase 2	R 5 300 000.00	Ward 8
Sports centre phase 2 ext.5	R 2 228 000.00	Ward 04
Musina walk-in centre	R 5 000 000.00	Ward 01
Tshipise/Matatane road	R 7 800 000.00	Ward 10
Nancefield storm water channel	R 6 295 300.00	Ward 03

#### APPENDIX P- SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools & Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (Names, Locations)				
Not applicable	0	0	0	0
Not applicable	0	0	0	0

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

Service Backlogs Experienced by Community Where Another Sphere of Government is the Service Provider (Whether or Not Municipality Acts on Agency Basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics	none	
Housing	None	
Licensing and testing centre	None	
Reservoirs	None	
Schools (primary & high)	None	
Sports fields	None	

#### APPENDIX R - DECLARATION OF LOANS AND GRANTS MADE BY MUNICIPALITY

Declaration of Loans And Grants Made by Municipality 2016/2017				
All organisations or persons in receipt of loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2011/12 R`000	Total amount committed over previous and future years
No grants and loans granted during the year under review				

#### APPENDIX S & T- DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During 2016/2017 According to Reporting Requirements	
Return	Reason return not properly made on due date
All MFMA Section 71 returns were made according to reporting requirements, and submitted in time	



