



# **DRAFT ANNUAL REPORT 2014/15**

**MAKHUDUTHAMAGA  
LOCAL MUNICIPALITY**

## CHAPTER 1

### COMPONENT A: MAYOR'S FOREWORD

#### 1.1 MAYOR'S FOREWORD

##### a. Vision

A developmental Municipality that provides needs satisfying sustainable services.

##### b. Key Policy Developments

The Municipality is proud to report that in the penultimate year of the current Council's five year mandate it has managed to a reasonable progress of its planned targets of five years which is a clear indication that it has become efficient and effective in the past four years of its existence. The above achievements give the Municipality confidence that it would be able to surpass its set targets or mandates. The Municipality also experienced challenges of staff turnover particularly at Senior Management level and could not fill all posts in the organisational structure due to limited office space.

Despite all these challenges the Municipality continued rendering high quality services to our communities during 2014/2015 financial year. The Municipality committed itself to the principles of hard work and improved service delivery to take us forward into the future. It managed to obtain unqualified audit opinions (with matters) during the 2013/2014 and also in 2014/2015, which makes it two consecutive financial years. This is one of the highest achievements since the beginning of the Municipality in 2000. This is as result of concerted and collective effort amongst all stakeholders.

##### c. Key Service Delivery Improvements

In the year under review the Municipality successfully completed the following capital projects:

- 1) Upgrading of Masemola Sport Ground
- 2) Rietfontein Storm Water Control Phase 1
- 3) Vierfontein to Rietfontein Link Road Phase 3
- 4) Jane Furse Police Station to Marangrang Access Road
- 5) Rietfontein Storm Water Control Phase 2
- 6) Construction of Moripane/Mogorwane Access Bridge
- 7) Construction of Moripane/Riverside Pedestrian Bridge
- 8) Access Roads to Peter Nchabeleng Sports Field Phase 2
- 9) Construction of Makhutso Access Bridge
- 10) Construction of Skotiphola Access Bridge
- 11) Construction of Access Road to Seopela Tribal Office
- 12) Construction of Access Road to Tjatane Tribal Office Phase 2

Due to concerted efforts of both political and administrative leadership, the Municipality also achieved the following:

- It has awarded 10 University bursaries to deserving students to ensure the improvement of the skills base within Makhuduthamaga.
- It has also supported 20 SMMES in various sectors especially on, food security and agriculture related projects.

#### **d. Public Participation**

The Municipality continued to develop and improve mechanisms to ensure a culture of participative governance as a priority. Cluster- Based consultation has been adopted as a form of participatory community action linked to the Annual Report, Integrated Development Planning (IDP) processes and other municipal activities. The Office of the Speaker facilitated the training of all 171 Ward Committee members; Ward Committees enhances a more effective communication between Council, communities and the various stakeholders.

Training for hundred and twenty five (125) Ward Committee members was conducted by LGSETA in collaboration with Sekhukhune TVET College which was conducted through a service provider. Ward Committee conference was held for two days from the 4<sup>th</sup> of May 2015 at Belabela.

#### **e. Future Actions**

The Speaker's office facilitated constant interaction with communities through quarterly Ward Committee meetings with their constituencies, to identify challenges, problems and development priorities in their wards. The Mayor's office also embarked on the mayoral outreach programs focusing on focal groups, i.e. women, children, disabilities, the elderly and ward 6-Eenzaam & wards 11 Molepane where he distributed blankets to the elderly.

#### **f. Agreements / Partnerships (announcements on special partnerships initiated)**

Makhuduthamaga Municipality participated in a partnership with the Productivity SA, LEDA for SMME training in financial Management, and SEDA provided training on project management. Motsepe Foundation provided funding for sports activities during the period under review. This is part of our program to interact with other State Owned Enterprises and Private Sector organisations, to form meaningful partnerships that will be beneficial to both our municipalities and communities.

#### **g. Conclusion**

Whilst we acknowledge the progress made, we are also very conscious about the fact that some segments of communities are still living in abject poverty, we remain committed and determined to realising the key focus areas that Council adopted in the IDP 2012- 2017. In terms of our Vision, the Municipality wants to thank the communities of Makhuduthamaga as well as all other stakeholders for their commitment to participate in the affairs of the Municipality. We appeal to all our stakeholders to

continue to join hands with the Municipality in an effort to make Makhuduthamaga “**A developmental Municipality that provides need satisfying sustainable services**”.

### **Comparison of the two financial years: 2013/2014 and 2014/2015**

#### **1<sup>ST</sup> YEAR: 2013/2014**

| KPA NO.      | KPA NAME                                 | TARGET     | TARGETS ACHIEVED | TARGETS NOT ACHIEVED | % ACHIEVEMENT |
|--------------|--|------------|------------------|----------------------|---------------|
| KPA 1        | Spatial Rationale                        | 24         | 18               | 06                   | 75%           |
| KPA 2        | Basic Services                           | 42         | 09               | 33                   | 21.4%         |
| KPA 3        | Local Economic Development               | 14         | 13               | 01                   | 93%           |
| KPA 4        | Financial Viability                      | 22         | 17               | 05                   | 77.3%         |
| KPA 5        | Good Governance And Public Participation | 25         | 19               | 06                   | 76.00%        |
| KPA 6        | Municipal Transformation                 | 10         | 05               | 05                   | 50.00%        |
| <b>TOTAL</b> |  | <b>137</b> | <b>81</b>        | <b>56</b>            | <b>59.1%</b>  |

#### **2<sup>ND</sup> YEAR: 2014/2015**

| 2014/15 | KPA                        | TARGETS PLANNED | TARGETS ACHIEVED | TARGETS NOT ACHIEVED | % ACHIEVED |
|---------|----------------------------|-----------------|------------------|----------------------|------------|
| KPA 1   | Spatial Rationale          | 08              | 06               | 02                   | 75%        |
| KPA 2:  | Basic Service              | 47              | 31               | 16                   |            |
| KPA 3:  | Local Economic Development | 09              | 06               | 03                   | 67%        |

|               |  |     |    |    |      |
|---------------|--|-----|----|----|------|
| <b>KPA 4:</b> | Financial Viability                      | 19  | 18 | 01 | 95%  |
| <b>KPA 5</b>  | Good Governance And Public Participation | 13  | 13 | 0  | 100% |
| <b>KPA 6</b>  | Municipal Transformation                 | 12  | 11 | 01 | 95%  |
| <b>TOTAL</b>  | 06                                       | 108 | 84 | 24 | 77%  |

The Municipality has improved its performance from 59, 1% in 2013/2014 financial year to 77% in the 2014/2015 financial year. This shows greater commitment and effort by all involved, thus improvement in the audit opinion.

All gratitude goes to the team (Executive Committee, Speaker, Chief Whip, and all Councillors), the Municipal Manager and Senior Managers, as well as the rest of the staff. Without their determination and commitment shown, Makhuduthamaga's vision would never be realised.

(Signed by :) \_\_\_\_\_

**Mayor**

## COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW

### 1.2 MUNICIPAL MANAGER'S OVERVIEW

The Municipality's IDP has been rated as credible and high over the unbroken period of three consecutive financial years from 2012/2013 to 2014/2015 by COGHSTA. The commitment of the Audit and Performance Committees has enhanced the effectiveness of the Municipality's internal audit as well as the external audit outcomes.

The performance of the Municipality was further improved by the appointment of the Risk Management Committee which assisted the development of the Risk Management Strategy which assisted in the mitigating and addressing risks identified, thus an improved audit opinion.

The Municipality has established oversight in the form of MPAC which has been rated as most functional in Sekhukhune District. It has for the duration of the current Council consistently reviewed and submitted Workplace Skills Plans to LGSETA annually and on time. This has led to the development in capacity of both Councillors and staff members, thus leading to an improved interface between governance and administrative functions.

### MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

- Makhuduthamaga Municipality is a category B Municipality located within Sekhukhune District Municipality in Limpopo Province. It is comprised of 189 settlements with a population of 274 358 people and 65 217 households which amounts to more than 24% of the District 1 076 840. It is characterized by a weak economic base, poor infrastructure, service delivery backlogs, dispersed human settlements, high unemployment and illiteracy and high poverty levels.
- Makhuduthamaga is one of the five municipalities within Sekhukhune District. It comprises of rural settlements. There are 31 Ward Councillors and 30 PR Councillors and 10 Magoshi.

#### Makhuduthamaga is established to perform the following functions:

- Spatial rationale.
- Basic services and infrastructure.
- Local economic development.
- Financial viability.
- Municipal transformation and public participation.
- Good governance.

### NATURAL RESOURCES

| Major Natural Resources | Relevance to community   |
|-------------------------|--|
| Agriculture             | Wheat and Maize –Olifants River Scheme<br>Sorghum-Tshehlwaneng and Jane Furse areas.   |
| Tourism                 | Hlako Tisana, Manche Masemola route, etc<br>Municipality participated in the International tourism Indaba held at Durban and had its own stall that showcased tourism opportunities within its jurisdiction. |

## SERVICE DELIVERY OVERVIEW

The Municipality's core business is to provide safe and sound road infrastructure network and uninterrupted electricity network to its communities.

Water and sanitation are provided by Sekhukhune District Municipality and electricity is provided by Eskom.

### THE BACKLOG ON SERVICES (WATER AND SANITATION)

#### Water

| MLM | Households | Households with Water up to RDP Standard | Backlog |
|-----|------------|--|---------|
|     | 65 217     | 47 801                                   | 17 416  |

#### Sanitation

| MLM | Households | Households with Sanitation up to RDP Standard | Backlog | %Backlog |
|-----|------------|---|---------|----------|
|     | 65 217     | 5 329   | 59 888  | 82%      |

## ELECTRICITY

| MLM | Households | Backlog |
|-----|------------|---------|
|     | 65 217     | 9 901   |

## WASTE MANAGEMENT

The waste management function is performed by the Municipality. There is a partial but formal refuse removal service rendered by the Municipality. The waste management program was a pilot project by LEDET for which the Municipality at a later stage has taken full responsibility of performing the task. The project covers the developmental nodes which are as follows; Phokoane, Glen Cowie, Jane Furse and Schoonoord. Skip bins are placed at Phokoane, Glen Cowie, Riverside, Jane Furse, Tshehlwaneng and Schoonoord. There is a permitted land fill site in Jane Furse. MOU is signed between the Sekhukhune District Municipality and Makhuduthamaga Municipality. An assessment was done at Apel Cross sub-growth point that covers Apel Cross, Marishane and Phaahla for the extension of waste removal points. The Department Of Environmental Affairs has appointed service provider to assist the Municipality with waste management at landfill side and do environmental awareness, they also managed to appoint 133 personnel through EPWP. Most of the community members create their own waste disposal sites which is a challenge to the Municipality. These illegal dumping sites are usually located within the individual household property or on the outskirts of some villages. One waste truck and three (03) skip loader and fifty five (55) skip bins were bought and distributed. Two (2) wards have recycling projects which ward 29 and 30.

### Refuse disposal for Households within Makhuduthamaga and Backlogs(STATSA)

|   |        |
|---|--------|
| Removed by local authority at least once a week       | 1 314  |
| Removed by local authority/private company less often | 325    |
| Communal refuse dump                                  | 661    |
| Own refuse dump                                       | 57 975 |
| No rubbish disposal                                   | 4 631  |
| Other   | 311    |
| Grand Total   | 65 217 |

## ROADS

|   |                |
|---|----------------|
| Kutupu Road and Stormwater                                      | R1 399 252.77  |
| Reitfontein Stormwater  | R3 208 459.97  |
| Jane Furse Police Station to Marangrang Access Road             | R7 024 476.95  |
| Access Road to Peter Nchabeleng Sport Facility Phase 2          | R3 351 251.10  |
| Upgrading of Masemola Sports Facility                           | R4 733 326.00  |
| Construction of Moripane/Mogorwane Access Bridge                | R4 003 345.13  |
| Construction of Lobethal/Phaahla Access Bridge                  | R6 000 000.00  |
| Moripane/Riverside Pedestrian Bridge                            | R3 473 651.25  |
| Construction of Skotiphola Access Bridge                        | R3 000 000.00  |
| Construction of Moretsele /Dichoeong road link                  | R5 500 000.00  |
| Construction of Makhutso Access Bridge                          | R4 700 000.00  |
| Vierfontein to Rietfontein Link Road                            | R5 869 613.59  |
| Reitfontein Stormwater PH 2                                     | R4 530 000.00  |
| Construction of access road to Madibaneng Mohlala Tribal Office | R3 900 000.00  |
| Construction of access road to Maila Segolo Tribal Office       | R 3 500 000.00 |

|   |                |
|---|----------------|
| Construction of access road to Mathibeng Tribal office  | R5 804 467.60  |
| Access road to Sekwati tribal office 2012/13 (IGF)  | R1 400 000.00  |
| Access bridge Seopele tribal office 2013/14   | R371 110.04    |
| Access road to Masemola tribal office (IGF)   | R1 775 493.59  |
| Construction of access road to Seopela tribal office (1.1 km)                                   | R4 000 000.00  |
| Access roads to Nkosi Dlamini ( 1km)  | R3 500 000.00  |
| Construction of new stand/moloi access Bridge   | R5 000 000.00  |
| Construction of Thusong Centre  | R300 000.00    |
| Construction of road from Jane Furse Comprehensive to New Jane Furse Hospital PH 2(0.8km)       | R3 500 000.00  |
| Design and Construction of access road to Mashegoana/Legare/Tswaledi tribal offices PH1 (1.2km) | R2 000 000.00  |
| Design and Construction of access road to Mashegoana/Legare/Tswaledi tribal offices PH2 (1.2km) | R 5 000 000.00 |
| Construction of access road to Tisane tribal office Phase 2                                     | R2 2000.00     |
| Construction of access road to Tisane tribal office(1.3KM) Phase 3                              | R3 500 000.00  |
| Construction of access road to ga-Mampane tribal office (IGF) Phase 2                           | R4 216 742.00  |



|   |               |
|---|---------------|
| Construction of access road to ga-Mampane tribal office (IGF) Phase 3                         | R3 500 000.00 |
| Rehab Of R579 Jane Furse To Nebo (IGF)  | R5 200 000.00 |
| Construction of access road to Mogashoa Manamane and Dithlakaneng tribal offices (ES) Phase 3 | R3 000 000.00 |
| Construction of access road to Maila Mapitsane tribal office (ES) Phase 2                     | R1 500 000.00 |
| Construction of access road to Maila Mapitsane tribal office (ES) Phase 3                     | R3 500 000.00 |
| Construction of access road to Tjatane Tribal Office Phase 1                                  | R3 000 000.00 |
| Construction of access road to Tjatane Tribal Office PH 2                                     | R6 000 000.00 |
| Refurbishment and Renovation on municipal Building  | R3 500 000.00 |

## MIG EXPENDITURES

MIG Expenditure for 2014/15 is 95%

## FINANCIAL HEALTH OVERVIEW

| FINANCIAL OVERVIEW – 2013/2014   |                       |                       |                       |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| Details                          | Original Budget       | Adjustment Budget     | Actual                |
| <b>Income</b>                    | 15,504,711.16         | 22,260,531.36         | 25,964,581.00         |
| <b>Grants</b>                    | 215,310,000.00        | 234,602,236.03        | 203,683,107.00        |
| <b>Taxes, levies and tariffs</b> | 28,813,348.56         | 32,378,458.70         | 43,986,731.00         |
| <b>Other</b>                     | 9,013,400.00          | 1,300,000.00          | 577,000.00            |
| <b>Sub-Total</b>                 | <b>268,641,459.72</b> | <b>290,541,226.00</b> | <b>274,211,419.00</b> |
| <b>Less Expenditure</b>          | (198,198,184.85)      | (191,487,343.00)      | (149,790,724.00)      |
| <b>Net Total</b>                 | <b>70,443,274.87</b>  | <b>99,053,883.00</b>  | <b>124,420,695.00</b> |

## Operating Ratios:

| DETAIL                                  | %     |
|---|-------|
| <b>Employee Costs</b>                   | 95.77 |
| <b>Repairs &amp; maintenance</b>        | 79.82 |
| <b>Finance charges and Depreciation</b> | 99.34 |

## 1.3 ORGANISATIONAL DEVELOPMENT OVERVIEW

### Human Resources Overview: 2013/2014

|                               |            |
|-------------------------------|------------|
| Total posts on the organogram | <b>167</b> |
| Total number of employees     | <b>125</b> |
| Total number of vacancies     | <b>42</b>  |

|                        |           |
|------------------------|-----------|
| Number of terminations | <b>13</b> |
| Number of retirements  | <b>02</b> |
| Resignations           | <b>05</b> |
| Death                  | <b>02</b> |
| Contract ended         | <b>04</b> |
| Retention/Promotions   | <b>0</b>  |

### **Approved and reviewed policies:**

| <b>NO.</b> | <b>POLICY NAME</b>   | <b>Approved</b> | <b>Reviewed</b> | <b>Resolution Number</b>          |
|------------|--|-----------------|-----------------|-----------------------------------|
| 1          | HRM.1. Attendance and Punctuality Policy                               | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 2          | HRM.2. Employment Equity Policy  | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 3          | HRM.3. Employment Practice Policy                                      | Yes             | No              | No. 07 of 2013/14 Financial Year. |
| 4          | HRM.4. HIV/AIDS Policy   | Yes             | No              | No. 07 of 2013/14 Financial Year. |
| 5          | HRM.5. Incapacity due till health/injury Policy                        | Yes             | No              | No. 07 of 2013/14 Financial Year. |
| 6          | HRM.6. Incapacity due to Poor Work Performance Policy                  | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 7          | HRD.1. Internal Bursary Policy   | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 8          | HRM.7. Employees under the influence of Intoxicating Substances Policy | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 9          | LRA.1. Legal Aid Policy  | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 10         | HRM.8. Occupational Health and Safety Policy                           | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 11         | HRM.9. Private Work and Declaration of Interest/s Policy               | NO              | No              | N/A                               |
| 12         | HRM.10. Relocation Policy  | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 13         | HRM.11. Sexual Harassment Policy                                       | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 14         | HRM.12. Smoking Policy   | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 15         | HRM.13. Succession Planning Policy                                     | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 16         | HRD.2. Training and Development Policy                                 | Yes             | No              | No. 07 of 2013/14 Financial Year  |
| 17         | HRM.14. Transport Allowance Policy                                     | NO              | No              | N/A                               |
| 18         | LRA.2. Whistle Blowing Policy  | Yes             | No              | No. 07 of 2013/14 Financial Year  |

### **COMMITTEES ESTABLISHED TO STRENGTHEN HUMAN RESOURCE MANAGEMENT**

- Local Labour Forum (LLF)
- Bursary Committee
- Training Committee
- Occupational Health and Safety Committee (OHS)
- Employment Equity Committee
- IT Steering Committee
- Policy Development Committee

| <b>No.</b> | <b>Name &amp; Surname</b> | <b>Gender</b> | <b>Institution</b> | <b>Degree</b>               | <b>Duration</b> | <b>Annual Fees</b>     |
|------------|---------------------------|---------------|--------------------|-----------------------------|-----------------|------------------------|
| 1.         | Mr. Mamogobo JM           | Male          | SMU                | MBCHB                       | 4 yrs           | R 100 514.90           |
| 2.         | Ms. Malaka AM             | Female        | SMU                | MBCHB                       | 1 yr            | R 80 363.26            |
| 3.         | Ms. Madingwane EM         | Female        | SMU                | MBCHB                       | 4 yrs           | R 100 503.75           |
| 4.         | Ms. Choeu LL              | Female        | WITS               | Bsc Geo Science             | 1 yr            | R 99 004,78            |
| 5.         | Mr. Maphutha TA           | Male          | CPU                | Mechanical Engineering      | Third semester  | R 23 500.00            |
| 6.         | Mr. Masemola KJ           | Male          | UKZN               | Mechanical Engineering      | 1 yr            | R 91 410,28            |
| 7.         | Ms. Choeu MC              | Female        | UKZN               | MBCHB                       | 1 yr            | R 91 805 68            |
| 8.         | Mr. Matibidi MA           | Male          | TUT                | Mechanical Engineering      | Third semester  | R 14 272.64            |
| 9.         | Mr. Letageng TM           | Male          | UP                 | IT                          | 4 yrs           | R 106 789.20           |
| 10.        | Mr. Senong MS             | Male          | SMU                | MBCHB                       | 2 yrs           | R 99 696.50            |
| 11.        | Mr. Ramogayana S.K        | Male          | UCT                | MBCHB                       | 1 yr            | R 112 215,00           |
| 12.        | Ms. Lebotsa PM            | Female        | WITS               | B Com Accounting            | 2 yrs           | R 102 322,84           |
| 13.        | Mr. Dikotope JM           | Male          | U.P                | Bsc in Chemical Engineering | 2 yrs           | R 86 040.30            |
| 14.        | Mr. Motubatse PL          | Male          | WITS               | MBCHB                       | 1 yr            | R 80 103,86            |
| 15.        | Ms. Ramushu SJ            | Female        | WITS               | B Com Accounting            | 1 yr            | R 64 969.24 / 32950.00 |
| 16.        | Ms. Maila LB              | Female        | WITS               | B Acc                       | 1 yr            | R 72 739,89            |

|     |               |        |      |                  |     |             |
|-----|---------------|--------|------|------------------|-----|-------------|
|     |               |        |      | Science          |     |             |
| 17. | Ms. Malatsi M | Female | WITS | B Com Accounting | 1yr | R 97 380.00 |

## **WORKPLACE SKILLS PLAN (WSP)**

### **INTRODUCTION**

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) endeavoured to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way, by identifying training focused to improve service delivery and also fulfilling SALGA training priorities for Section 57 and Finance officials. Achievements are 33% of employees, 33% of councillors and 55% of Ward Committees trained during this financial year. This has been addressed by the appointment of Section 57 Managers whose responsibility is to ensure that training is service focused.

### **COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE**

The Municipality was able to prepare and submit Workplace Skills Plan for 2014/15 to LGSETA on time. The Municipality has appointed Skill Development Facilitator who ensures that the WSP is adhered to. The following milestones were achieved to build capacity within the structures of the Municipality:

- Councillors trained through workshops and training sessions were 33%,
- Employees achieved 33% whereas
- Ward Committees achieved 55%.
- Budget spend was R 2 153 318 00 which is 88% of the budget allocation (R 3 400 000.00). Variance was as a result of SCM processes and lack of Training Committee which was not appointed for this current year.

The Municipality is still in the process of complying with the minimum MFMA competency regulations requirements for its Section 57 and Finance officials. .

The following are currently undergoing training:

- The Municipal Manager
- The Director Corporate Services
- The Chief Financial Officer
- Finance officials x 16
- Finance Interns x 6
- Managers x 5

However the total number of people who have been trained in line with the minimum MFMA competency regulations requirements are six (6).

### **AUDITOR GENERAL REPORT**

The Municipality has obtained unqualified audit opinions for the year under review for two consecutive financial years that is 2013/14 and 2014/2015. See Chapter 6: Auditor-General Report 2013/14 on page 60.

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**MOROPA M.E**  
**MUNICIPAL MANAGER**

# **CHAPTER 2:**

## **GOVERNANCE**

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.1. Political Governance

The political governance consists of the Mayor Cllr. Matlala M.A, Speaker Cllr. Makaleng M.M and 10 Executive committee members and other Councillors. There are also Section 80 & 79 committees that process all the issues before they go to Council.

#### INFORMATION ON MAKHUDUTHAMAGA COUNCILLORS

The Municipality has 61 Councillors excluding 10 Traditional Leaders during 2014/15 financial year. Of the total Councillors, 31 are Ward Councillors, while 30 have been appointed on a proportional basis. A full list of Councillors is attached as Appendix A, while appendix B sets out committees and their purposes.

Below is a table that categorised the Councillors within their specific political parties and wards for the 2014/2015 financial year:

| No. | Name of Councillor | Initials | Gender | Capacity            | Political Party | Ward / Proportional Representation |
|-----|--------------------|----------|--------|---------------------|-----------------|------------------------------------|
| 1   | Cllr. Mohlala      | M.J      | M      | Ward Councillor -1  | ANC             | Ward                               |
| 2   | Cllr. Boshielo     | T.J      | M      | Ward Councillor - 2 | ANC             | Ward                               |
| 3   | Cllr. Leshalabe    | M.M      | F      | Ward Councillor -3  | ANC             | Ward                               |
| 4   | Cllr. Mabitla      | P        | M      | Ward Councillor -4  | ANC             | Ward                               |
| 5   | Cllr. Mankge       | N. H     | M      | Ward Councillor -5  | ANC             | Ward                               |
| 6   | Cllr.Thokwane      | K.Z      | M      | Ward Councillor -6  | ANC             | Ward                               |
| 7   | Cllr. Mapitsing    | T. J     | M      | Ward Councillor -7  | ANC             | Ward                               |
| 8   | Cllr. Malaka       | M. J     | M      | Ward Councillor -8  | ANC             | Ward                               |
| 9   | Cllr. Maphanga     | T. D     | M      | Ward Councillor -9  | ANC             | Ward                               |
| 10  | Cllr. Nkadimeng    | E        | F      | Ward Councillor -10 | ANC             | Ward                               |
| 11  | Cllr. Chego        | K. D     | M      | Ward Councillor -11 | ANC             | Ward                               |
| 12  | Cllr. Rankoe       | T. P     | M      | Ward Councillor -12 | ANC             | Ward                               |
| 13  | Cllr. Mohloba      | S. J     | F      | Ward Councillor -13 | ANC             | Ward                               |
| 14  | Cllr. Tshehla      | N. B     | M      | Ward Councillor -14 | ANC             | Ward                               |
| 15  | Cllr. Mashilo      | M. M     | F      | Ward Councillor -15 | ANC             | Ward                               |
| 16  | Cllr. Seopela      | M.J      | M      | Ward Councillor -16 | ANC             | Ward                               |
| 17  | Cllr. Nkadimeng    | S. P     | F      | Ward Councillor -17 | ANC             | Ward                               |

| No.                | Name of Councillor | Initials | Gender | Capacity            | Political Party | Ward Proportional Representation / |
|--------------------|--------------------|----------|--------|---------------------|-----------------|------------------------------------|
| 18                 | Cllr. Mashigo      | N. L     | F      | Ward Councillor -18 | ANC             | Ward                               |
| 19                 | Cllr. Mabatane     | M. K     | M      | Ward Councillor -19 | ANC             | Ward                               |
| 20                 | Cllr. Manaleng     | M. J     | F      | Ward Councillor -20 | ANC             | Ward                               |
| 21                 | Cllr. Maapea       | S.R      | M      | Ward Councillor -21 | ANC             | Ward                               |
| 22                 | Cllr. Selala       | M. J     | M      | Ward Councillor -22 | ANC             | Ward                               |
| 23                 | Cllr. Ntobeng      | M. M     | M      | Ward Councillor -23 | ANC             | Ward                               |
| 24                 | Cllr. Manchidi     | M. J     | M      | Ward Councillor -24 | ANC             | Ward                               |
| 25                 | Cllr. Diketane     | S.P      | M      | Ward Councillor -25 | ANC             | Ward                               |
| 26                 | Cllr. Lethuba      | M. P     | M      | Ward Councillor -26 | ANC             | Ward                               |
| 27                 | Cllr. Diale        | K.E      | F      | Ward Councillor -27 | ANC             | Ward                               |
| 28                 | Cllr. Marutle      | P. J     | M      | Ward Councillor -28 | ANC             | Ward                               |
| 29                 | Cllr. Mosehla      | M. L     | F      | Ward Councillor -29 | ANC             | Ward                               |
| 30                 | Cllr. Boshielo     | M. L     | F      | Ward Councillor -30 | ANC             | Ward                               |
| 31                 | Cllr. Sefoka       | M. N     | M      | Ward Councillor -31 | ANC             | Ward                               |
| Name of Councillor |                    | Gender   |        | Capacity            | Political Party | Proportional Representation        |
| 32                 | Cllr. Nkadimeng    | S. M     | F      |                     | ANC             | Proportional                       |
| 33                 | Cllr Matlala       | M.A      | M      |                     | ANC             | Proportional                       |
| 34                 | Cllr Mahlase       | M.M      | F      |                     | ANC             | Proportional                       |
| 35                 | Cllr Monakedi      | M.J      | M      |                     | ANC             | Proportional                       |
| 36                 | Cllr Maisela       | K.R      | F      |                     | ANC             | Proportional                       |
| 37                 | Cllr Phogole       | M.I      | M      |                     | ANC             | Proportional                       |
| 38                 | Cllr Maserumule    | M.O      | F      |                     | ANC             | Proportional                       |
| 39                 | Cllr Matjomane     | N.M      | M      |                     | ANC             | Proportional                       |
| 40                 | Cllr Makgoga       | N.H      | F      |                     | ANC             | Proportional                       |
| 41                 | Cllr Malaka        | M.S      | M      |                     | ANC             | Proportional                       |
| 42                 | Cllr Mndebele      | M.E      | F      |                     | ANC             | Proportional                       |

| No. | Name of Councillor | Initials | Gender | Capacity | Political Party | Ward Proportional Representation / |
|-----|--------------------|----------|--------|----------|-----------------|------------------------------------|
| 43  | Cllr Mampana       | M.A      | M      |          | ANC             | Proportional                       |
| 44  | Cllr Maleka        | B.P      | F      |          | ANC             | Proportional                       |
| 45  | Cllr Masemola      | R.H      | M      |          | ANC             | Proportional                       |
| 46  | Cllr Maitula       | M.B      | F      |          | ANC             | Proportional                       |
| 47  | Cllr Mamogobo      | T.P      | M      |          | ANC             | Proportional                       |
| 48  | Cllr Makaleng      | M.M      | F      |          | ANC             | Proportional                       |
| 49  | Cllr Masemola      | J        | F      |          | ANC             | Proportional                       |
| 50  | Cllr Lerobane      | M.P      | F      |          | ANC             | Proportional                       |
| 51  | Cllr Tala          | M.A      | M      |          | ANC             | Proportional                       |
| 52  | Cllr Kgaphola      | M.G      | M      |          | ANC             | Proportional                       |
| 53  | Cllr Madiba        | M.F      | M      |          | COPE            | Proportional                       |
| 54  | Cllr Mohlala       | M.G      | M      |          | COPE            | Proportional                       |
| 55  | Cllr Maabane       | D.K      | M      |          | COPE            | Proportional                       |
| 56  | Cllr Madingwana    | R        | M      |          | AZAPO           | Proportional                       |
| 57  | Cllr Thokoane      | M.J      | M      |          | AZAPO           | Proportional                       |
| 58  | Cllr Mashianoke    | M.F      | M      |          | DA              | Proportional                       |
| 59  | Cllr Manchidi      | M        | M      |          | PAC             | Proportional                       |
| 60  | Cllr Tladi         | M.R      | F      |          | APC             | Proportional                       |
| 61  | Cllr Machaba       | M.G      | M      |          | SAMEPA          | Proportional                       |
|     | <b>TOTAL</b>       |          |        |          | <b>Males</b>    | <b>Females</b>                     |
|     |                    |          |        |          | 39              | 22                                 |

## EXECUTIVE COMMITTEE

The Mayor of the Municipality, **Cllr. Matlala M.A**, assisted by the Executive Committee, heads the executive arm of the Municipality. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in collaboration with the Executive Committee.

The name and portfolio of each Member of the Executive Committee is listed in the table below for the period 01 July 2014 – 30 June 2015.



| NAME OF MEMBER       | GENDER | CAPACITY                                      |
|----------------------|--------|---|
| Cllr. Matlala M.A.   | M      | Mayor   |
| Cllr. Maitula M.M    | F      | Infrastructure Services                       |
| Cllr. Maserumule M.O | F      | Corporate Services                            |
| Cllr. Chego K.D      | M      | Budget and Treasury                           |
| Cllr. Nkadimeng S.P  | F      | Community Services                            |
| Cllr. Matjomane N.M  | M      | Economic Development and Planning             |
| Cllr. Lerobane M.P   | F      | Deputy Head Infrastructure                    |
| Cllr. Madiba M.F     | M      | Deputy Head Corporate services                |
| Cllr. Maisela K R    | F      | Deputy Head Budget and Treasury               |
| Cllr. Tala M.A       | M      | Deputy Head Economic Development and Planning |

#### PORTFOLIO COMMITTEES

Section 79 & 80 Committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues depending on whether delegations have been granted to them. They are appointed to advise the Mayor on policy matters and any other matters to be considered by the Mayor or any matter deferred by Council.

The Portfolio Committees for the 2014/2015 Mayoral term and their Chairpersons are as follows:

| Committee                           | Chairperson         | Head                | Section 79 or 80 |
|-------------------------------------|---------------------|---------------------|------------------|
| Budget and Treasury                 | Cllr. Lethuba MP    | Cllr. Chego KD      | 79               |
| Community Services                  | Cllr. Motseni NL    | Cllr. Nkadimeng SP  | 79               |
| Corporate Services                  | Vacant              | Cllr. Maserumule MO | 79               |
| Economic Development and Planning   | Vacant              | Cllr. Matjomane NM  | 79               |
| Infrastructure Services             | Cllr. Mahlase MM    | Cllr. Maitula MM    | 79               |
| Municipal Public Accounts Committee | Cllr. Rankoe TP     |                     | 79               |
| Council Whippers                    | Cllr. Malaka MS     |                     | 79               |
| Ethics Committee                    | Cllr. Makaleng MM   |                     | 79               |
| Portfolio Chairpersons              | Cllr. Ntobeng MM    |                     | 79               |
| Geographical Names Committee        | Cllr. Makaleng MM   |                     | 79               |
| Budget and Treasury Cluster         | Cllr. Chego KD      |                     | 80               |
| Corporate Services Cluster          | Cllr. Maserumule MO |                     | 80               |

## 2.2. ADMINISTRATIVE GOVERNANCE

### INFORMATION FOR MAKHUDUTHAMAGA TOP MANAGEMENT

| DESIGNATION                                       | INITIALS & SURNAME | GENDER |
|---|--------------------|--------|
| Municipal Manager                                 | Mr Moropa ME       | M      |
| Director Corporate Services                       | Mr Matlala MK      | M      |
| Acting Chief Financial Officer                    | Ms Lamola R M      | F      |
| Acting Director Economic Development and Planning | Mr Phasha DA       | M      |
| Director Infrastructure Services                  | Ms Komape S M      | F      |
| Acting Director Community Services                | Ms Make MM         | F      |

The following Department positions were vacant since the financial year:

- 1) Director Community Services from July 2014.
- 2) Director Finance from October 2014.
- 3) Director Economic Development & Planning from March 2014.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3. INTERGOVERNMENTAL RELATIONS

#### 2.3.1. DISTRICT INTERGOVERNMENTAL STRUCTURES

- District Monitoring and Evaluation Forum
- Mayor's Forum
- Municipal Manager's Forum
- Debt Forum
- CFO's Forum
- IDP Forum

#### 2.3.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURES

- Provincial Monitoring and Evaluation Forum
- Premier 's Intergovernmental Forum
- Municipal Manager's Forum
- Debt Forum
- CFO's Forum
- IDP Forum,
- Provincial Communicator's Forum.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4. PUBLIC ACCOUNTABILITY AND PARTICIPATION

#### 2.4.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Council performs the legislative functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social development programs in the municipal area.

##### 2.4.1.1 COMMUNICATION, PARTICIPATION AND FORUMS

Local Government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act No. 106 of 1996 and other statutory enactments, all impose an obligation on Local Government communicators and require high level of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** and this, means that those we elect to represent us (Councillors at the municipal level) and those who are employed to serve us (municipal administration) must always put people first in their official engagements.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life. To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, and value for money and efficiency and effectiveness. They should ideally look to close the communication-consultation loop.

Good customer care is of fundamental importance to any organisation, and analysis here shows that local residents view the Municipality's people relations in a negative light. A successful Communication Strategy therefore links the people to the Municipality's programme for the year.

Below is a communication checklist of the compliance with communication requirements:

| COMMUNICATION ACTIVITY                     | Yes/No |
|--|--------|
| Communication Unit                         | Yes    |
| Communication Strategy                     | Yes    |
| Communication Policy                       | Yes    |
| Customer Satisfaction Surveys              | Yes    |
| Functional Complaint Management Systems    | Yes    |
| Newsletters distributed at least quarterly | Yes    |

Section 16 of the Municipal Systems Act No: 32 of (MSA) refer specifically to the development of a culture of community participation within municipalities. It states that a Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the Municipality. Such participation is required in terms of:

- Public consultation on Annual Report
- The preparation, implementation and review of the IDP;
- Establishment, implementation and review of the performance management system;
- Monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

During the 2014/2015 financial year, the Office of the Speaker facilitated the capacitating of Ward Committees in all of the 31 wards in Makhuduthamaga. To ensure functionality, training of the Ward Committee members was provided by SALGA/LGSETA facilitators, guidelines on operational matters were issued by the Speaker and oversight at Ward Committee meetings provided by personal attendances by the Speaker and/or his authorised personnel. By constant supervision from the Office of the Speaker it was ensured that Ward Committee meetings and report back at public meetings were held in each ward in addition to the IDP related meetings and budgetary consultative meetings held in clustered wards.

#### 2.4.2 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria*                                      | Yes/No |
|--|--------|
| Does the Municipality have impact, outcome, input, output indicators?          | Yes    |
| Does the IDP have priorities, objectives, KPIs, development strategies?        | Yes    |
| Does the IDP have multi-year targets?  | Yes    |
| Are the above aligned and can they calculate into a score?                     | Yes    |
| Does the budget align directly to the KPIs in the strategic plan?              | Yes    |
| Do the IDP KPIs align to the Section 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    |

### COMPONENT D: CORPORATE GOVERNANCE

#### 2.5 CORPORATE GOVERNANCE

##### 2.5.1 OVERVIEW OF CORPORATE GOVERNANCE

Makhuduthamaga Local Municipality is having an organizational structure that was approved by Council during the adoption of the IDP and budget. The structure has approved posts as follows:

- Created/ approved post =167
- Filled posts = 125
- Vacant = 42

Council has delegated its administration duties to the Municipal Manager who has five departmental heads in charge of the following departments:

- Corporate Services.
- Economic Development and Planning
- Community Services
- Infrastructure Development , and
- Budget and Treasury

There are supportive functions that are attached to the office of the Municipal Manager, whose main aim is to ensure compliance and efficiency of systems and processes. They are as follows:

- Risk Management and Internal Audit.
- Legal services.
- Audit and performance Committee.

## 2.5.2 RISK MANAGEMENT

Risk management forms part of Makhuduthamaga management's core responsibilities and it is an integral part of the internal processes of the municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the Municipality's service delivery capacity. When properly executed risk management provides reasonable, but not absolute assurance, that the Municipality will be successful in achieving its goals and objectives.

The Municipality have appointed an independent Risk Management Committee Chairperson as required by Council approved terms of reference for MLM Risk Management Committee.

Note: MFMA S62 (i) (c) requires a Municipality to have and maintain an effective, efficient and transparent system of risk management. Makhuduthamaga Local Municipality is aware of the impact of risk on service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks that have been identified.

South Africa's codes of corporate governance have consistently identified risk management as one of the key pillars of good-governance practice and this, as a continuous process, enables constant improvement in strategy design and strategy implementation as well as an organization's systems and operations. The King III report on corporate governance has identified risk governance as one of the cornerstones that if successfully implemented, can create and sustain stakeholder value.

### **The top risks that were identified during strategic risk assessment are:**

| <b>Risks</b>   | <b>Risk Category</b> | <b>Risk Description</b>           | <b>Risk Root Cause</b>  |
|--|----------------------|-----------------------------------|---|
| To build a sustainable revenue base for the municipality   | Financial Risk       | 1.Non payment of services         | 1.The existing culture of free services<br>2.Inadequate basic services rendered<br>3.Reluctant debtors                                |
| Promote local economic development (LED) in municipal area | Service Delivery     | 2.Lack of Economic infrastructure | 1.Disintegrated and reactive planning<br>2.Migration of revenue source<br>3.Inadequate Capital funding<br>4.Inability to acquire land |

|   |                     |  |  |
|---|---------------------|--|--|
| To ensure greater investment in infrastructure and provide better services to Makhuduthamaga residents and business   | Financial Risk      | 3.Budget Constrains                          | 1. Poor Planning<br>2 .Inadequate revenue<br>3. Inadequate Source of funding<br>4. Exponential population growth |
| To build institutional capacity through re engineering (By way of raising institutional efficiency, effectiveness, competence, targeted training, recruitment inculcating organisational culture of service and responsive) | Human Resource Risk | 4.High level of inefficiency and ineffective | Staff misplacement due non adherence to recruitment policy   |

### 2.5.3 ANTI-CORRUPTION AND FRAUD

Section 83(c) of the MSA 32 of 2003 provides for the implementation of effective bidding structures to minimise the possibility of fraud and corruption. The Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud. The Anti-corruption and fraud policy is in place.

### AUDIT COMMITTEE

Section 166(2) of the MFMA states that an Audit Committee is an independent advisory body which must- (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the Municipality, on matters relating to—

- Internal financial control;
- Risk management;
- Performance management; and
- Effective governance.

In the financial year under review the Audit Committee also performed the Performance Audit Function. The Audit committee had a Council-approved charter.

In terms of the Audit Charter, the Audit Committee is also appointed as the Performance Audit Committee. In terms of the Audit Charter and subject to relevant legislation, the Audit Committee has the following roles with regards to performance management:

- To advise Council on the functionality of the performance management system;
- To advise Council whether the PMS complies with the Act;
- To advise Council on the extent to which the Municipality's performance measures are reliable in measuring performance;

The Audit Committee has the following functions as prescribed in section 166(2) (a-e) of the Municipal Finance Management Act, 2003, Local Government Municipal and Performance Management Regulation, 2001:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements, to provide Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and its overall level of compliance with the MFMA, the annual DORA and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- Carry out such investigations into the financial affairs of the Municipality as Council may request.
- To perform such other functions as may be prescribed to it by Council.
- To review the quarterly reports submitted to it by the internal audit unit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To evaluate the compliance to existing policies and relevant legislation.
- To evaluate audited financial statements and reports with regard to the procurement of items and services.
- The compilation of reports to Council, at least twice during a financial year.
- To assess whether the performance indicators are sufficient.
- To determine possible reasons for discrepancies between performance and targets.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review significant transactions that does not normally form part of Council's business.
- To review the annual report of the Municipality.
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- To focus on and review changes in the accounting policies.
- Making recommendations to council and also carrying out its responsibility to implement the recommendations.
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.
- On a regular basis, review its own effectiveness against pre-set criteria.
- Review the plans of the Internal Audit function and; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit Function.
- Ensure that no restrictions or limitations are placed on the Internal Audit Unit.

- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- Provide council with comments and recommendations with regard to the proposed budget for the following year.

| Name             | Capacity    | Meeting Dates  |
|------------------|-------------|--|
| Mr. Gafane L A T | Chairperson | 30/07/14, 26/08/14, 28/10/14<br>09/03/15, 02/06/15, 11/06/15 |
| Ms. Ndadana L M  | Member      |  |
| Mr Mashala K E   | Member      |  |
| Mr. Makaba G M   | Member      |  |
| Mr Chuene V K    | Member      |  |

## INTERNAL AUDIT UNIT

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a Municipality must–

- Prepare a risk based audit plan and an internal audit programme for each financial year; and
- Advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
- Risk and risk management.

Below are the functions of the Internal Audit Unit that were performed during the year under review:

| FUNCTION   | COMMENT                     |
|--|-----------------------------|
| Risk analysis completed/reviewed.                                | Done                        |
| Risk based audit plan approved for 2013/2014 financial year.     | Done on 17 January 2014     |
| Internal Audit Programme drafted and approved.                   | Yes, part of the Audit Plan |
| Audit reports included the key following areas Completion Status |                             |
| Payroll Management   | Yes                         |
| Leave Management   | Yes                         |
| Infrastructure Project Management                                | Yes                         |
| Supply Chain Management  | Yes                         |
| HR Management  | Yes                         |
| Records Management   | Yes                         |
| AOPO Q1 and Q2   | Yes                         |



## **2.5.4 SUPPLY CHAIN MANAGEMENT**

### **OVERVIEW OF SUPPLY CHAIN MANAGEMENT**

#### **SCM Processes and Procedures**

The following processes mentioned here under will be summarised in stages. i.e. from requisition stage up to the final stage of appointment of a service provider.

##### **Need or a Demand**

- The user department identifies a need for a particular goods and/ service.
- The need will be aligned to the SDBIP and the adopted Budget.

##### **Requisitions**

- The user department will raise a requisition on the financial System (ACCPAC).
- The requisition gets approved by the Head of Department (HOD)

##### **Bid Specification Committee**

- The Committee is established in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- An advert is then placed with the specification from the said Committee on the Municipal website and notice board.

##### **Bid Evaluation Committee**

- The Committee is established in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee prepares a report with recommendation(s) to the Bid Adjudication committee.

##### **Bid Adjudication Committee**

- The Committee is established in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.
- The committee analyse the report from the Bid evaluation committee and make recommendation(s) to the Accounting Officer

## **Appointment Stage**

-The Accounting officer may, after due consideration of the reports from the said committees, accept or reject recommendations from the Bid Adjudication Committee as in terms of sec. 29 (5) (b) of the Supply Chain Management regulation and the policy of the Municipality.

-The Municipality has adopted a Supply Chain Management Policy which is in line with the Regulation. The Municipality acquires goods and services through the processes as stated in the policy. No Councillor is a member of any bid committees, and the Municipality is adhering to sec. 117 of MFMA as well as circular No.40.

## **2.6. BY-LAWS**

### **2.7. MUNICIPAL WEBSITE**

The municipal website is an integral part of a Municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies. The Municipality has a service level agreement with State Information Technology Agency (SITA) for website maintenance.

## **2.8. PUBLIC SATISFACTION ON MUNICIPAL SERVICES**

Community satisfaction survey conducted has highlighted important challenges facing the Municipality. Among the challenges facing the Municipality is to confront the issues in certain villages which made it impossible for survey to take place. A large number of the residents' have indicated their dissatisfaction about service delivery. These residents complain about traffic control and motor vehicle licensing, streets and storm water, housing and libraries. These issues could results with negative image and untenable consequences to the Municipality. However they credit the Municipality and are happy with the overall performance of the Municipality as a reflection of the current government.

The results of the survey should be read in conjunction with Sekhukhune District Municipality Customer Survey. The intention should be to link the two and identify similar issues that have to be pursued by the Municipality via the District Intergovernmental Structures. Moreover, the survey results link with planning instruments like IDP, Ward Based Plans and Service Standards. In certain cases the results may imply revision of certain important planning documents. Addressing the issues raised will improve the rating of the Municipality as one of the top performers in local government.

# **CHAPTER 3**

## **SERVICE DELIVERY**

## COMPONENT A: BASIC SERVICES

### INTRODUCTION TO BASIC SERVICES

The Municipality performs the following functions in relation to the provision of basic services:

- Electricity
- Roads and storm water
- Repair and maintenance of existing infrastructure
- Provision of free basic electricity

### 3.1 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

The Municipality has entered into a Service Level Agreement (SLA) with the National Department of Energy for the provision of household connections. These are handed over for maintenance to Eskom after the completion of the projects. The Municipality is experiencing challenges with household electrification in the major part of Makhuduthamaga due to the following challenges:

- Illegal connections to households.
- Limited capacity.
- New extensions of residential sites for post connections.
- Budgetary constraints.

The Municipality had a target of 987 units in the post connection priority list and backlogs for the reporting period. This target will not be met due to limited or an absence of capacity.

| Description                                       | 2012/13    | 2013/14    | 2014/15    |
|---|------------|------------|------------|
|   | Actual No. | Actual No. | Actual No. |
| <b><u>Energy: (above minimum level)</u></b>       |            |            |            |
| Electricity (at least minimum service level)      |            |            |            |
| Electricity - prepaid (minimum service level)     |            |            |            |
| <i>Minimum Service Level and Above sub-total</i>  |            |            |            |
| <i>Minimum Service Level and Above Percentage</i> |            |            |            |
| <b><u>Energy: (below minimum level)</u></b>       |            |            |            |
| Electricity (<minimum service level)              | 0          | 163        | 0          |
| Electricity - prepaid (< minimum service level)   |            |            |            |
| Other energy sources                              |            |            |            |
| <i>Below Minimum Service Level Sub-Total</i>      | 0          | 100        | 0          |
| <i>Below Minimum Service Level Percentage</i>     |            |            |            |
| <b>Total number of households</b>                 |            |            |            |

### Electricity Service Policy Objectives Taken From IDP

| Service Objectives  | Outline Service Targets  | 2012/13  |        | 2013/14  |        | 2014/15  |        |
|---|--|--|--------|--|--------|--|--------|
|   |  | Target   | Actual | Target   | Actual | Target   | Actual |
| Service Indicators  |  |  | 1139   | 100  | 0      | 0  | 0      |
| (i)   | (ii)   | (iii)  | (iv)   | (v)  | (vi)   | (vii)  | (viii) |
| Service Objective : to facilitate provision of electricity supply |  |  |        |  |        |  |        |
| <b>Provision of minimum supply of electricity</b>                 | Proportional reduction in 2011/12 backlog of HH below minimum supply level | T1% reduction in HHs below the 2012/13 baseline level ( a revised backlog of 4068 HHs) |        | T1% reduction in HHs below the 2013/14 baseline level ( a revised backlog of 1269 HHs) |        | T1% reduction in HHs below the 2014/15 baseline level ( a revised backlog of 1286 HHs) |        |

### Villages electrified in 2012/13

| Village      | Number of Connections |
|--------------|-----------------------|
| Masemola     | 47-WIP                |
| Malope       | 116-WIP               |
|              |                       |
| <b>Total</b> | <b>163</b>            |

### Villages Electrification in progress 2013/14

| Village                         | Number of Connections |
|---------------------------------|-----------------------|
| Masemola                        | 47-WIP                |
| Malope                          | 116-WIP               |
| <b>Total</b>                    | <b>163</b>            |
| Villages electrified in 2014/15 |                       |
| Village                         | Number of Connections |
| Masemola                        | 47                    |
| Malope                          | 116                   |
| <b>Total</b>                    | <b>163</b>            |

| Employees: Electricity Services   |                    |                    |                    |                                  |                                   |
|---|--------------------|--------------------|--------------------|----------------------------------|-----------------------------------|
| Job Level   | 2013/14            | 2014/15            |                    |                                  |                                   |
|   | Employees          | Posts              | Employees          | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.                | No.                | No.                | No.                              | %                                 |
| 0 – 3   | 0                  | 0                  | 0                  | 0                                | 0%                                |
| 4 – 6   | 0                  | 1                  | 0                  | 1                                | 0%                                |
| 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%                                |
| 19 – 20   | 0                  | 0                  | 0                  | 0                                | 0%                                |
| Total   | 0                  | 1                  | 0                  | 1                                | 0%                                |
| Financial Performance 2014/15: Electricity Services                       |                    |                    |                    |                                  |                                   |
| R'000   |                    |                    |                    |                                  |                                   |
| Details   | 2013/14            | 2014/15            |                    |                                  |                                   |
|   | Actual             | Original Budget    | Adjustment Budget  | Actual                           | Variance to Budget                |
| Total Operational Revenue (excluding tariffs)                             | R0.00              | R0.00              | R0.00              | R0.00                            | R0.00                             |
| Expenditure:  |                    |                    |                    |                                  |                                   |
| Employees   | R 47 714           | R 392 312          | R 130 810          | R0.00                            | R 130 810                         |
| Repairs and Maintenance   | R 132 312          | R 500 000          | R 1 546 863        | R 1 546 863                      | R0.00                             |
| Other   | R 3 841 170        | R 4 000 000        | R 5 454 137        | R 3 949 433                      | R 1 504 704                       |
| <b>Total Operational Expenditure</b>                                      | <b>R 4 021 197</b> | <b>R 4 892 312</b> | <b>R 7 130 810</b> | <b>R 5 496 297</b>               | <b>R 1 634 513</b>                |
| Capital Expenditure 2014/15: Electricity Services                         |                    |                    |                    |                                  |                                   |
| R' 000  |                    |                    |                    |                                  |                                   |
| Capital Projects  | 2014/15            |                    |                    |                                  |                                   |
|   | Budget             | Adjustment Budget  | Actual Expenditure | Variance from original budget    | Total Project Value               |
| Electrification of Malope (116 Units) and Masemola Mamarutleng (47 Units) | R 1 950 000        | R 3 283 663        | R 3 283 663        | R0.00                            | R 3 283 663                       |
| Total   | <b>R 1 950 000</b> | <b>R 3 283 663</b> | <b>R 3 283 663</b> | <b>R.00</b>                      | <b>R 3 283 663</b>                |

### COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The projects that were initially planned for household electrification were not implemented due to lack of capacity in their respective areas. The areas with capacity were identified and projects implemented. These reported challenges may be addressed by the building of sub-stations in consultation with the electricity regulator and ESKOM.

### 3.2 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Makhuduthamaga Municipality only provided Free Basic Electricity to the indigents. There is, however a need to review the indigent register and policy. The Municipality has set a target of 10000 beneficiaries to receive Free Basic Electricity in the 2014/15 financial year.

| Free Basic Service Policy Objectives Taken From IDP                                  |                         |            |                   |             |             |                    |        |
|--|-------------------------|------------|-------------------|-------------|-------------|--------------------|--------|
| Service Objectives   | Outline Service Targets | 2012/13    |                   | 2013/14     |             | 2014/15            |        |
|  |                         | Target     | Actual            | Target      | Actual      | Target             | Actual |
| <i>Service Indicators</i>  |                         | 10000      | 8950              | 100000      | 8950        | 10000              | 9650   |
| (i)  | (ii)                    | (iii)      | (iv)              | (v)         | (vi)        | (vii)              | (viii) |
| Service Objective : to improve FBE benefit to all qualifying beneficiaries           |                         |            |                   |             |             |                    |        |
| <b>Provision of FBE as per approved Indigent Register</b>                            |                         | 3 000 000  | 8950              | 4000 000    | 8950        | 3 000 000          | 9650   |
| Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered |                         |            |                   |             |             |                    |        |
| Services Delivered   | 2013/14                 | 2014/15    |                   |             |             |                    |        |
|  | Actual                  | Budget     | Adjustment Budget | Actual      | Commitments | Variance to Budget |        |
| Water  | R 0.00                  | R0.00      | R0.00             | R0.00       | R0.00       | R0.00              |        |
| Waste Water (Sanitation)   | R 0.00                  | R0.00      | R0.00             | R0.00       | R0.00       | R0.00              |        |
| Electricity  | R 3 841 170             | R 4000 000 | R 5 454 137       | R 3 949 433 | R0.00       | R 1 504 704        |        |
| Waste Management (Solid Waste)   | R0.00                   | R0.00      | R0.00             | R0.00       | R0.00       | R0.00              |        |
| Total  |                         |            |                   |             |             |                    |        |

### 3.3 ROADS, BRIDGES AND STORM WATER

## **INTRODUCTION TO ROADS, BRIDGES AND STORM WATER**

The Municipality has developed a Road Master Plan that specifies the conditions of the roads throughout the municipal area and further proposes a priority list for intervention. The Municipality has the following related strategic objectives for the reporting period:

- To improve access to viable roads and facilitate tarring.
- To facilitate provision of storm water drainage for passable roads

These objectives were funded from the MIG and the Equitable Share; however the Municipality needs more resources, both financial and human to be able to address the backlog as planned.

| Gravel Road Infrastructure        |                        |                              |                                     |                                   |   |            |
|-----------------------------------|------------------------|------------------------------|-------------------------------------|-----------------------------------|---|------------|
|                                   | Total gravel roads     | New gravel roads constructed | Gravel roads upgraded to asphalt    |                                   | Kilometers<br>Gravel roads graded /maintained |            |
| 2012/13                           | 310                    | 3                            | 7                                   |                                   | 439   |            |
| 2013/14                           | 310                    | 3                            | 7                                   |                                   | 439   |            |
| 2014/15                           | 310                    | 0                            | 8                                   |                                   | 316   |            |
| Asphalted Road Infrastructure     |                        |                              |                                     |                                   |   |            |
|                                   | Total asphalt ed roads | New asphalt roads            | Existing asphalt roads re-asphalted | Existing asphalt roads re-sheeted | Kilometers<br>Asphalt roads maintained        |            |
| 2012/13                           | 11                     | 11                           | 1                                   | 0                                 | 0   |            |
| 2013/14                           | 14                     | 14                           | 0                                   | 1                                 | 0   |            |
| 2014/15                           | 26                     | 8                            | 1                                   | 1                                 | 1   |            |
| Cost of Construction/Maintenance: |                        |                              |                                     |                                   |   |            |
|                                   | R' 000<br>Gravel       |                              |                                     | Asphalt                           |   |            |
|                                   | New                    | Gravel - Asphalt             | Maintained                          | New                               | Re-worked                                     | Maintained |
| 2012/13                           | 2300 000               | 25 000 000                   | 8 300 000                           | 25 000 000                        | 1 880 000                                     | 2 300 000  |
| 2013/14                           | 0                      | 17 500 000                   | 17 500 000                          | 0                                 | 0   | 0          |
| 2014/15                           | 0                      | 28 100 000                   | 28 100 000                          |                                   |   |            |

| Employees: Road Services |           |         |           |                                  |                                   |
|--------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                | 2012/13   | 2013/14 |           |                                  |                                   |
|                          | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                          | No.       | No.     | No.       | No.                              | %                                 |
| 0 – 3                    | 1         | 1       | 1         |                                  | 0%                                |



|              |           |           |           |   |            |
|--------------|-----------|-----------|-----------|---|------------|
| 4 – 6        | 2         | 2         | 1         | 0 | 50%        |
| 7 – 9        | 3         | 2         | 2         |   | 0%         |
| 10 – 12      | 2         | 1         | 1         |   | 0%         |
| 13 – 15      | 0         | 0         | 0         |   | 0%         |
| 16 – 18      | 4         | 6         | 5         |   | 16%        |
| 19 – 20      | 1         | 1         | 1         |   | 0%         |
| <b>Total</b> | <b>13</b> | <b>12</b> | <b>11</b> |   | <b>92%</b> |

| Financial Performance 2014/15: Road Services         |                     |                     |                     |                               |                     |
|--|---------------------|---------------------|---------------------|-------------------------------|---------------------|
| R'000  |                     |                     |                     |                               |                     |
| Details  | 2012/13             | 2013/14             |                     |                               |                     |
|  | Actual              | Original Budget     | Adjustment Budget   | Actual                        | Variance to Budget  |
| Total Operational Revenue (excluding tariffs)        | R0.00               | R0.00               | R0.00               | R0.00                         | R0.00               |
| Expenditure:   |                     |                     |                     |                               |                     |
| Employees  | R 1 452 854         | R 4 557 679         | R 4 380 607         | R 4 380 607                   | R0.00               |
| Repairs and Maintenance                              | R 14 431 521        | R 18 100 000        | R 23 100 000        | R 20 296 602                  | R 2 803 398         |
| Other  | R 2 220 729         | R 2 832 000         | R 3 382 000         | R 2 127 918                   | -R 1 254 082        |
| Total Operational Expenditure                        | <b>R 18 105 104</b> | <b>R 24 457 679</b> | <b>R 30 862 607</b> | <b>26 805 127</b>             | <b>R 1 549 316</b>  |
| Capital Expenditure 2014/15: Road Services           |                     |                     |                     |                               |                     |
| R' 000   |                     |                     |                     |                               |                     |
| Capital Projects                                     | 2014/15             |                     |                     |                               |                     |
|  | Budget              | Adjustment Budget   | Actual Expenditure  | Variance from original budget | Total Project Value |
| Upgrading of Masemola sports ground (MIG)            | R4 600 000.00       |                     | R4547858.00         |                               |                     |
| Rietfontein storm water control(PH1)                 | R2 602 695.52       |                     | R39152.10           |                               |                     |
| Kutupu road and storm water phase 2 2012/13 (MIG)    | R4 748 554.26       |                     | R699252.77          |                               |                     |
| Vierfontein to Rietfontein link road phase3 (MIG)    | R5 069 613.59       |                     | R4469487.14         |                               |                     |
| Rietfontein storm water control (MIG) PH2            | R4 750000.00        |                     | R3208459.97         |                               |                     |
| Construction of Moripane /Mogorwane access bridge    | R 3 696 000.00      |                     | R3462251.37         |                               |                     |
| Construction of Lobethal/Phaahla access bridge (MIG) | R6 000 000.00       |                     | R3859569.85         |                               |                     |

|  |                |  |               |  |  |
|--|----------------|--|---------------|--|--|
| Construction of Makhutso access bridge (MIG)   | R5 000 000.00  |  | R4 835 881.14 |  |  |
| Construction of Skotiphola access bridge (MIG)   | R 3 000 000.00 |  | R2 928 131.39 |  |  |
| Construction of access road to Mohlala/Madibaneng (6km)  | R3900 000.00   |  | R1 200 009.60 |  |  |
| Construction of access road to Seopela Tribal Office (1.1km)   | R 3 500 000.00 |  | R3 746 581.75 |  |  |
| Access road to Nkosi/Dlamini (1km)   | R 3 500 000.00 |  | R243 913.77   |  |  |
| Construction of New Stand/Moloi access bridge  | R3 500 000.00  |  | R279 737.30   |  |  |
| Construction of Thusong Centre   | R 300 000.00   |  | R0.00         |  |  |
| Construction of road from Jane Furse Comprehensive to New Jane Furse Hospital (0.8 km).              | R 4 000 000.00 |  | R781 442.40   |  |  |
| Design and Construction of access road to Mashegoana/Legare/ Tswaledi tribal offices phase 2(1,2KM). | R 5 000 000.00 |  | R788 861.32   |  |  |
| Construction of access road to Tisane Tribal Office Phase 3 (1.3KM).                                 | R 3 500 000.00 |  | R3 141 598.76 |  |  |
| Construction of access road to Mampane Tribal Office phase 3   | R 3 500 000.00 |  | R3 248 034.78 |  |  |
| Construction of access road to Mogashoa Manamane and Ditlhakaneng Phase 2                            | R3 000 000.00  |  | R2 343 374.62 |  |  |
| Construction of access road to Maila Mapitsane Tribal Office Phase 3                                 | R3 500 000.00  |  | R3 454 200.90 |  |  |
| Design and Construction of access road to Marulaneng Tribal Office Phase 2 (1.5km)                   | R 3 500 000.00 |  | R4 114 733.48 |  |  |
| Construction of access road to Tjatane Tribal Office Phase 2   | R 6 000 000.00 |  | R6 016 280.70 |  |  |
| Construction of access road to Maila Segolo Tribal Office (3.7km)                                    | R 3 500 000.00 |  | R764 439.85   |  |  |
| Repairs and maintenance of the existing road and storm water   | R23 100 000.00 |  | R4 469 487.14 |  |  |

|  |               |  |                |  |  |
|--|---------------|--|----------------|--|--|
| Maintenance of electricity existing high-mast and street lights  | R2 500 000.00 |  | R 1 541 477.00 |  |  |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. |               |  |                |  |  |

### 3.4. MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

| Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs<br>R' 000 |                |                   |                |          |                   |   |
|---|----------------|-------------------|----------------|----------|-------------------|---|
| Details   | Budget         | Adjustment Budget | Actual         | Variance |                   | Major conditions applied by donor (continue below if necessary) |
|   |                |                   |                | Budget   | Adjustment Budget |   |
| 1.Kutupu Roads and Stormwater   | R3,748,554.26  | R 3,748,554.26    | R 900,405.96   | 0        | 0                 | None  |
| 2.Access Road to Peter Nchabeleng Sport Facility  | R3,525,713.91  | R 3,525,713.91    | R3,525,713.91  | 0        | 0                 | None  |
| 3.Jane Furse Police Station to Marangrang Access Road                                   | R6,374,476.95  | R 6,374,476.95    | R5,804,288.70  | 0        | 0                 | None  |
| 4.Upgrading of Madibong Storm water   | R2,000,000.00  | R 2,000,000.00    | R1,000,489.57  | 0        | 0                 | None  |
| 5.Upgrading of Masemola Sports Facility   | R7,500,000.00  | R 7,500,000.00    | R7,431,671.40  | 0        | 0                 | None  |
| 6.Construction of Moripane/Mogor wane Access Bridge                                     | R4,515,000.00  | R 4,515,000.00    | R4,512,969.73  | 0        | 0                 | None  |
| 7.Construction of Lobethal/Phaahla Access Bridge  | R 4,000,000.00 | R 4,000,000.00    | R 3,847,934.10 | 0        | 0                 | None  |
| 8.Moripane/River side Pedestrian  | R              | R 3,681,694.35    | R 2,574,863.85 | 0        | 0                 | None  |

|  |                |                |                |   |   |      |
|--|----------------|----------------|----------------|---|---|------|
| Bridge                                     | 3,681,694.35   |                |                |   |   |      |
| 9.Construction of Skotiphola Access Bridge | R 3,000,000.00 | R 3,000,000.00 | R 2,928,131.35 | 0 | 0 | None |
| 10.Construction of Makhutso Access Bridge  | R 6,000,000.00 | R 6,000,000.00 | R 5,602,599.92 | 0 | 0 | None |
| 11.Vierfontein to Rietfontein Link Road    | R 8,192,000.00 | R 8,192,000.00 | R 8,191,992.67 | 0 | 0 | None |
| 12.Reitfontein Stormwater PH 2             | R 7,500,000.00 | R 7,500,000.00 | R 7,414,301.57 | 0 | 0 | None |
| 13.PMU Overheads                           | R 1,000,000.00 | R 1,000,000.00 | R 1,000,000.00 | 0 | 0 | None |

### 3.5. WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL)

#### INTRODUCTION TO WASTE MANAGEMENT

The Waste Management function is performed by the Municipality in the following areas: Marishane, Mamone, Phaahla and Masemola. The Municipality has taken full responsibility of performing waste management function. The project covers the following villages; Phokoane, Glen Cowie, Jane Furse and Schonoord. Collection bins are placed at Phokoane, Glen Cowie, Riverside, Jane Furse, Tshehlwaneng and Schonoord. There is a permitted land fill site in Jane Furse. An assessment was done at Apel Cross sub growth point that covers Apel Cross, Marishane and Phaahla for the extension of waste removal points.

The majority of the population creates their own waste disposal for this purpose. These dumping sites are usually located within the individual household property or on the outskirts of some villages. Also existing is the Marishane recycling centre which recycles bottles, cans, plastics, papers and box which are sent to relevant recycling companies.

The appointment of **1200** General workers according to **CWP – COMMUNITY WORKS PROGRAM and EPWP- EXPANDED PUBLIC WORKS PROGRAM** has been approved by Council and commenced working on the 1<sup>st</sup> September 2013 until 2017. This shall include litter-picking, street cleaning, house to house collection and the disposal site management.

| Solid Waste Service Delivery Levels |                     |                               |  |                               |
|-------------------------------------|---------------------|-------------------------------|--|-------------------------------|
| Households                          |                     |                               |  |                               |
| Description                         | 2011/12             | 2012/13                       | 2013/14                                  | 2014/15                       |
|                                     | Actual No.          | Actual No.                    | Actual No.                               | Actual No.                    |
| <b><u>Solid Waste Removal:</u></b>  | Twice a week Street | Twice a week Street to street | Twice a week Street to street collection | Twice a week Street to street |

|  |   |   |   |   |
|--|---|---|---|---|
| <b>(Minimum level)</b>   | to street collection  | collection  |   | collection  |
| Removed at least once a week                                       | Established Business has private contractors to remove waste from shops daily | Established Business has private contractors to remove waste from shops daily | Established Business has private contractors to remove waste from shops daily | Established Business has private contractors to remove waste from shops daily |
| <b><u>Solid Waste Removal:</u></b><br><b>(Below minimum level)</b> | None  | None  | Twice a week Street to street collection                                      | Twice a week Street to street collection                                      |
| <b>Total number of households</b>                                  | None  | None  | 5000  | 5000  |

| Households - Solid Waste Service Delivery Levels below the minimum |                                     |                                     |                                     |                 |                 |            |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-----------------|-----------------|------------|
| Description  | 2012/13                             | 2013/14                             | 2014/15                             | 2014/15         |                 |            |
|  | Actual                              | Actual                              | Actual                              | Original Budget | Adjusted Budget | Actual No. |
|  | No.                                 | No.                                 | No.                                 | No.             | No.             | No.        |
| <b>Formal Settlements</b>  |                                     |                                     |                                     |                 |                 |            |
| Total households   | Entire Makhudutham aga Municipality | R4,5million                         | R6,8million                         |                 |                 |            |
| Households below minimum service level                             |                                     |                                     |                                     |                 |                 |            |
| Proportion of households below minimum service level               |                                     |                                     |                                     |                 |                 |            |
| <b>Informal Settlements</b>  |                                     |                                     |                                     |                 |                 |            |
| Total households   | Entire Makhudutham aga Municipality | Entire Makhudutha maga Municipality | Entire Makhudutham aga Municipality |                 |                 |            |
| Households below minimum service level                             |                                     |                                     |                                     |                 |                 |            |
| Proportion of households below minimum service level               |                                     |                                     |                                     |                 |                 |            |

|   |
|---|
| <b>Employees: Solid Waste Management Services</b> |
|---|

| Job Level   | 2013/14   | 2014/15 |           |                                  |                                   |
|---|-----------|---------|-----------|----------------------------------|-----------------------------------|
|   | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.       | No.     | No.       | No.                              | %                                 |
| 0 – 3   | 1         | 1       | 1         | 1                                | 0%                                |
| 4 – 6   | 0         | 0       | 0         | 0                                | 0 %                               |
| 7 – 9   | 0         | 0       | 0         | 0                                | 0 %                               |
| 10 – 12   | 1         | 1       | 0         | 1                                | 100%                              |
| 13 – 15   | 0         | 0       | 0         | 0                                | 0 %                               |
| 16 – 18   | 0         | 0       | 0         | 0                                | 0 %                               |
| 19 – 20   | 0         | 4       | 4         | 4                                | 100%                              |
| Total   |           |         |           |                                  |                                   |
| Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. |           |         |           |                                  |                                   |

| Employees: Waste Disposal and Other Services |           |         |           |                                  |                                   |
|--|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                                    | 2013/14   | 2014/15 |           |                                  |                                   |
|  | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|  | No.       | No.     | No.       | No.                              | %                                 |
| 0 – 3  | 0         | 0       | 0         | 0                                | 0%                                |
| 4 – 6  | 0         | 0       | 0         | 0                                | 0%                                |
| 7 – 9  | 0         | 3       | 0         | 3                                | 100%                              |
| Total  | 0         | 3       | 0         | 3                                | 0%                                |

| Financial Performance 2014/15: Solid Waste Management Services<br>R'000 |                  |                    |                    |                    |                    |
|---|------------------|--------------------|--------------------|--------------------|--------------------|
| Details   | 2013/14          | 2014/15            |                    |                    |                    |
|   | Actual           | Original Budget    | Adjustment Budget  | Actual             | Variance to Budget |
| Total Operational Revenue (excluding tariffs)                           |                  |                    |                    |                    |                    |
| Expenditure:  |                  |                    |                    |                    |                    |
| Employees   | R 344 578        | R 793 596          | R 546 942          | R 374 674          | R 172 268          |
| Repairs and Maintenance   | R0.00            | R0.00              | R0.00              | R0.00              | R0.00              |
| Other   | R 2 391 539      | R 2 305 000        | R 4 751 654        | R 3 072 303        | R 1 679 351        |
| Total Operational Expenditure   | <b>2 736 117</b> | <b>R 3 098 596</b> | <b>R 4 751 654</b> | <b>R 3 446 977</b> | <b>R 1 851 619</b> |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Net<br>Operational<br>(Service)<br>Expenditur<br>e |  |  |  |  |  |
|  |  |  |  |  |  |

## COMPONENT B: COMMUNITY & SOCIAL SERVICES.

### 3.6 INTRODUCTION

Makhuduthamaga Municipality renders library services on an agency basis on behalf of the Provincial Government of Sport, Arts and Culture. A three year Service Level Agreement ending in 2014/15 exist for this service. There are four Libraries in Makhuduthamaga, at Jane Furse, Ga-Phaahla and Phatantshwane and Phokwane which is at hand over stage. There are at least three Community Halls within the Municipality.

| Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other |           |         |           |  |   |
|---|-----------|---------|-----------|--|---|
| Job Level   | 2012/13   | 2013/14 |           |  |   |
|   | Employees | Posts   | Employees | Vacancies<br>(fulltime<br>equivalents) | Vacancies<br>(as a % of<br>total posts) |
|   | No.       | No.     | No.       | No.                                    | %                                       |
| 0 – 3   | 0         | 4       | 4         | 0                                      | 0%                                      |
| 4 – 6   | 0         | 3       | 3         | 0                                      | 0%                                      |
| 7 – 9   | 0         | 0       | 0         | 0                                      | 0%                                      |
| 10 – 12   | 1         | 1       | 1         | 0                                      | 0%                                      |
| 13 – 15   | -         | -       | -         | -                                      | 0%                                      |
| 16 – 18   | -         | -       | -         | -                                      | 0%                                      |
| 19 – 20   |           | -       | -         | -                                      | 0%                                      |
| Total   | 01        | 08      | 08        | 0                                      | 0%                                      |

| Financial Performance 2014/15: Libraries; Archives; Museums; Galleries; Community Facilities; Other |                    |                  |                    |                    |                    |
|---|--------------------|------------------|--------------------|--------------------|--------------------|
| R'000   |                    |                  |                    |                    |                    |
| Details   | 2013/14            | 2014/15          |                    |                    |                    |
|   | Actual             | Original Budget  | Adjustment Budget  | Actual             | Variance to Budget |
| <b>Total Operational Revenue (excluding tariffs)</b>  |                    |                  |                    |                    |                    |
| Expenditure:  |                    |                  |                    |                    |                    |
| Employees   | R2,521,741         | R 3 816 516      | R 3 287 100        | R 2 287 818        | R 999 282          |
| Repairs and Maintenance   | R 0.00             | R 0.00           | R 0.00             | R 0.00             | R 0.00             |
| Other   | R 0.00             | R 911 300        | R 911 300          | R152 353           | R 758 947          |
| <b>Total Operational Expenditure</b>  | <b>R 2 521 741</b> | <b>4 727 816</b> | <b>R 4 198 400</b> | <b>R 2 440 171</b> | <b>R 1 758 229</b> |

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.7 INTRODUCTION

The Makhuduthamaga Municipality is predominantly rural under the leadership of traditional authorities. The Traditional Authorities are the custodians of land, thus the Municipality acquires land for development from Traditional Authorities, through a land acquisition process with the Department of Rural Development and Land Reform. The Municipality has a problem of acquiring land due to unrealistic rates that do not match with the valuation reports. A Land use Summit was facilitated by the Municipality to create awareness on land use management. The opportunities for economic development have been identified in the LED strategy and include the following: Agriculture, Tourism, Manufacturing, retail and arts.

In order to ascertain that LED is mainstreamed in all municipal departments an LED Manifesto is in the process of being drafted to ensure that all services that the Municipality renders are geared towards economic growth and job creation.

The Municipality hosted an LED summit in June 2015 shared ideas together with other stakeholders that can help shape the economic environment of this Municipality, so that we can later realise a better life for all. The purpose of the LED summit included:

- To build partnerships between stakeholders and to establish relationships that become the basis for continuous engagements;
- To encourage open dialogue between private and public sector on the Makhuduthamaga economic development trajectory;



- To share best practices among the various economic actors operating in and outside Makhuduthamaga; and
- To encourage local businesses to participate in local economic development and the creation of sustainable job opportunities and poverty eradication.

### **3.8. PLANNING OVERVIEW**

Makhuduthamaga Municipality is a rural area which does not allow use of most of town planning legislations, e.g. Spatial and Land use Management Act. The area is not promulgated and issues like zoning, rezoning, sub-division, etc are not adequately addressed when people submit their applications for land use rights. Town Planning Ordinance and other planning legislations function properly in a promulgated area. The planning legislations and policies are difficult to implement because of the nature land is allocated within the Municipality. The Municipality uses the following proclamations to issue land use rights: proclamation R188 of 1968 and proclamation 45 of 1990. These proclamations are used to issue permission to occupy.

For the year 2014/15 the Municipality received 41 applications for businesses, of which 35 were approved and approval in principle and permission to occupy were issued. One application for business was withdrawn and five were outstanding by year end. Sixteen (16) applications for residential were received, and were all approved with PTOs. The Municipality also received four (4) applications for farming, three (3) were approved and approvals in principle (preliminary approval) were issued while one was outstanding by year end. The total applications received for the year 2012/13 were 61, 54 were approved and 7 are outstanding.

The Municipality currently has no active land use management scheme pending the proclamation of the Spatial Planning and Land Use Management Bill into an Act. The use of land is managed through Proclamation R188 of 1969 which allows the issuing of Permissions to Occupy (PTOs) for any piece of land.

During the reporting period, the Municipality in partnership with SALGA and the Department of Rural Development (DRDLR) conducted an evaluation of the progress and challenges facing the Municipality, regarding the implementation of the Spatial Development Framework (SDF). A report was compiled with a major recommendation of reviewing the SDF using the new national guidelines, and in the meantime using the 2007 Council approved SDF. The Municipality made an application for funding for the review of the SDF and same was acquired from DRDLR. The process of the review will be completed in the 2013/14 financial year. The top three service delivery priorities included, demarcation of sites, hosting a Land Use Summit, and acquisition of land at growth points. The Municipality managed to host the land use summit and to appoint a service provider to assist with the demarcation of sites at Makgane Ga-Ratau. With regard to the acquisition of land at the Masemola-Apel Growth point, the Municipality initiated the process, conducted a valuation and presented the valuation reports to the Royal Council. This process was not completed as the Royal Council was still considering the valuation report by year end. The process will be concluded in the next financial year.

The applications processed since 2011/12 financial year are listed as follows:

| Applications for Land Use Development |          |         |             |         |         |         |
|---------------------------------------|----------|---------|-------------|---------|---------|---------|
| Detail                                | Business |         | Residential |         | Farming |         |
|                                       | 2009/10  | 2010/11 | 2011/12     | 2012/13 | 2013/14 | 2014/15 |
| Planning application received         | 10       | 41      | 23          | 16      | 9       | 4       |
| Determination made in year of receipt | 8        | 35      | 23          | 16      | 8       | 3       |
| Determination made in following year  | 2        | 0       | 0           | 0       | 1       | 0       |
| Applications withdrawn                | 0        | 1       | 0           | 0       | 0       | 0       |
| Applications outstanding at year end  | 2        | 5       | 0           | 0       | 1       | 1       |

#### Employees: Planning Services

| Job Level | 2013/14    | 2014/15 |           |                                  |                                   |
|-----------|------------|---------|-----------|----------------------------------|-----------------------------------|
|           | Employee s | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|           | No.        | No.     | No.       | No.                              | %                                 |
| 0 – 3     |            | -       | -         | -                                | -                                 |
| 4 – 6     |            | -       | -         | -                                | -                                 |
| 7 – 9     |            | 9       | 7         | 3                                | 21%                               |
| 10 – 12   |            | 4       | 3         | 1                                | 7%                                |
| 13 – 15   |            | 1       | 0         | 1                                | 7%                                |
| 16 – 18   |            | -       | -         | -                                | -                                 |
| 19 – 20   |            | -       | -         | -                                | -                                 |
| Total     |            | 14      | 10        | 4                                | 35%                               |

| Financial Performance 2014/15: Planning Services |                    |                    |                    |                    |               |                    |
|--|--------------------|--------------------|--------------------|--------------------|---------------|--------------------|
| R'000  |                    |                    |                    |                    |               |                    |
| Details  | 2013/14            | 2014/15            |                    |                    |               |                    |
|  | Actual             | Original Budget    | Adjustment Budget  | Actual             | Commitments   | Variance to Budget |
| Expenditure                                      |                    |                    |                    |                    |               |                    |
| Employees  | R 3 886 159        | R 5 743 830        | R 4 663 756.72     | R 4 663 756.72     | R0.00         | R0.00              |
| Repairs and Maintenance                          | R0.00              | R0.00              | R0.00              | R0.00              | R0.00         | R0.00              |
| Other  | R 537 536          | R 3 270 500        | R 1 772 763        | R 1 026 702        | R0.00         | R 2 243 798        |
| <b>Total Operational Expenditure</b>             | <b>R 4 423 695</b> | <b>R 9 014 330</b> | <b>R 6 436 520</b> | <b>R 5 690 459</b> | <b>R 0.00</b> |                    |

| Capital Expenditure 2014/15: Planning Services |              |                   |                    |                               |                     |
|--|--------------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000   |              |                   |                    |                               |                     |
| Capital Projects                               | 2014/15      |                   |                    |                               |                     |
|  | Budget       | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Land scaping                                   | R 100 000    | R 2 300 000       | R0.00              | -2300 000                     |                     |
| Development of Municipal Park                  | R 650 000.00 | R 650 000.00      | R0.00              | R 700 000                     |                     |
| Development Of Municipal Cemetery              | R 730 000.00 | R 730 000.00      | R0.00              | R 1000 000                    |                     |

## COMPONENT D: LOCAL ECONOMIC DEVELOPMENT

### LOCAL ECONOMIC DEVELOPMENT

#### 3.8 COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The local economy is highly dependent upon agriculture, of which **14.9%** comes from vegetables and fruit as key players, followed by retail, services and manufacturing.

The Municipality coordinated four LED forum meetings where progress on the implementation of the LED strategy was discussed. The other aspect covered by the LED forum was to workshop the terms of reference of the LED Forum to ensure that roles and responsibilities are clarified. It also planned to support 10 SMMEs and has by the end of the reporting period supported 7 SMMEs. With regard to tourism development, the Municipality participated at Tourism Indaba which is the third largest international tourism show in the world. It hosted an LED summit that attracted presenters from both Provincial and National economic development organisations.

The LED strategy identifies various issues and strategic areas for intervention such as indicated below:

| Thrust                                       | STRATEGIES  |
|--|---|
| Economic Base Development                    | Promote the horticulture cluster value chain. Tourism, the red meat cluster SMME development and construction & property development. |
| Institutional Transformation and Development | Municipal capacity building, Capacity to deal with disasters, establishment of a tertiary institution.                                |
| Infrastructure Development                   | Re-planning of Jane Furse intersection, Integrated infrastructure development.  |
| Human Resource Development                   | Adult Basic Education and Training, Human Resource development strategy.  |
| Spatial and Land Development                 | Formalisation of settlements, Growth points development, Proclamation of Jane Furse.  |

#### **LED INITIATIVES**

With a limited budget for LED projects (versus the need) and two officials to assist with LED implementation, the following initiatives have been identified as shown below:

| DESCRIPTION OF PROJECT        | TOTAL INVESTMENT | PERFORMANCE HIGHLIGHTS   |
|-------------------------------|------------------|--|
| Construction of market stalls | 1000 000.00      | 60 Informal market stalls are at construction stage. Thirty 30 stalls have been completed.   |
| SMME support                  | 4 600 000.00     | 10 SMMEs benefitted from this fund the majority are from the agriculture sector  |
| Production of tourism guide   | 200 000.00       | Not achieved.  |
| Revival of Cultural villages  | 200 000.00       | This project was aimed at the revival of a cultural village in Mabedhla village that is promoting the Swazi culture and heritage.  |
| Annual LED summit             | 250 000.00       | The annual summit attracted presenters from both national and provincial government and was concluded with a Declaration committing various stakeholders' participation in jointly promoting Local Economic Development. |

#### CHALLENGES: LED

| CHALLENGES                                     | PROPOSED SOLUTION   |
|--|---|
| Limited capacity in terms of operational staff | Revised organ gram submitted for consideration  |
| Limited funding for projects                   | Initiate partnerships with external donors and funding agencies to provide additional funding for projects. |

### 3.10 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the Municipal Systems Act (MSA) states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered into a service delivery agreement. According to Auditor General (AG) of South Africa:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service;
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a Municipality; and
- Service delivery agreement means an agreement between a Municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a Municipality should include the following related to service providers in its annual report:

- The performance of each service provider;
- A Comparison of the performance with targets set for and performances in the previous financial year; and
- Measures taken to improve performance.

The following is an analysis of products and services procured by the Municipality for R 200, 000 and more.

The table below indicate service providers utilised according to functional areas:

## CORPORATE SERVICES

| Description of service Rendered  | Term Of Contract | Performance Areas                 | Performance Rating | Performance comment    | corrective measure |
|----------------------------------|------------------|-----------------------------------|--------------------|------------------------|--------------------|
| Back-up System                   | 2 Years          | Provision of backup system        | Good               | Work done satisfactory | None               |
| Time Management(Clocking) System | 3 Years          | Electronic time management system | Good               | Work done satisfactory | None               |

## BUDGET AND TREASURY

| Description of service Rendered | Term Of Contract | Performance Areas                       | Performance Rating | Performance comment                            | Corrective measure                |
|---------------------------------|------------------|---|--------------------|--|-----------------------------------|
| Rendering of Banking Services   | 5 Years          | Service for all banking needs.          | Good               | Work done satisfactory.                        | None                              |
| Cleaning Service                | 3 Years          | Provision of cleaning services.         | Good               | Work done satisfactory.                        | None                              |
| Security Service                | 3 Years          | Provision of security services.         | Good               | Work done satisfactory.                        | None                              |
| Financial System                | 5 Years          | Provision of financial system services. | Good               | Work done satisfactory.                        | None                              |
| Printing Services               | 3 Years          | Provision of printing Services.         | Average            | There is machinery breakdown quite more often. | Acquire machine of high capacity. |
| Supply and Delivery of Vehicles | Once –Off        | Supply and of delivery vehicles.        | Good               | Work done satisfactory.                        | None                              |

## COMMUNITY SERVICES

| Description of service rendered                  | Term Of Contract | Performance Areas                                 | Performance Rating | Performance comment    | corrective measure |
|--|------------------|---|--------------------|------------------------|--------------------|
| Supply and delivery of waste collection truck    | Once –off        | Supply and delivery of waste collection truck.    | Good               | Work done satisfactory | None               |
| Supply and installation of CCTV cameras at DLTCs | 03 Years         | Supply and installation of CCTV cameras at DLTCs. | Good               | Satisfactory           | None               |

## ECONOMIC DEVELOPMENT AND PLANNING

| Description of service Rendered       | Term Of Contract | Performance Areas            | Performance Rating | Performance comment | corrective measure |
|---------------------------------------|------------------|------------------------------|--------------------|---------------------|--------------------|
| Demarcation of sites.                 | 2 years          | Compliance to specifications | Completed          | Good                | None               |
|                                       |                  | Land survey                  | In progress        | In progress         | None               |
|                                       |                  | Demarcation of 500 sites     | In progress        | In progress         | None               |
| Provision of informal trading stalls. | Once off         | Market Stalls completed      | 30 Completed       | Work in progress    | None               |

## INFRASTRUCTURE SERVICES

| Description of service Rendered         | Term Of Contract | Performance Areas           | Performance Rating | Performance comment           | corrective measure |
|---|------------------|-----------------------------|--------------------|-------------------------------|--------------------|
| Maintenance of roads-Loge Construction. | 2 years          | Compliance to specification | Excellent          | Highly responsive on request. | N/A                |
|   |                  | Supply on need basis        |                    |                               |                    |
|   |                  | Meeting deadlines           |                    |                               |                    |

|  |          |   |           |   |     |
|--|----------|---|-----------|---|-----|
|  |          | Monitoring  |           |   |     |
|  |          | Completion report                                 |           |   |     |
| Consultant Services-Sizeya Consulting Engineers      | 6 months | Compliance to specification                       | Good      |   |     |
|  |          | Supply on need basis                              |           |   |     |
|  |          | Meeting deadlines                                 |           |   |     |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-Lesaka Consulting Engineers      | 6 months | Development of Scoping report ,Preliminary Design | Good      | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-Engor Consulting Engineers       | 6 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-Bawelile Consulting Engineers    | 5 months | Development of Scoping report ,Preliminary Design | Good      | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-Stone found Consulting Engineers | 5 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion  |           |   |     |

|  |          |   |           |   |     |
|--|----------|---|-----------|---|-----|
|  |          | Report  |           |   |     |
| Consultant Services-<br>Calibre and Associates             | 6 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-<br>Sejagobe Consulting Engineers      | 6 months | Development of Scoping report ,Preliminary Design | Fair      | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-<br>Ntsako Tiyani Consulting Engineers | 6 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consultant Services-<br>Marumo Consulting Engineers        | 6 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
|  |          | Monitoring  |           |   |     |
|  |          | Completion Report                                 |           |   |     |
| Consulting Services-<br>Mapoxe Consulting Engineers        | 5 months | Development of Scoping report ,Preliminary Design | Excellent | Good in supervision, site meetings, monitoring all project Administration | N/A |
|  |          | Monitoring  |           |   |     |
|  |          | Completion  |           |   |     |



|   |           |  |           |   |                                      |
|---|-----------|--|-----------|---|--------------------------------------|
|   |           | Report   |           |   |                                      |
| Consulting Services-Vutani Consulting Engineers       | 6 months  | Development of Scoping report ,Preliminary Design      | Good      | Good in supervision, site meetings, monitoring all project Administration                     | N/A                                  |
|   |           | Monitoring   |           |   |                                      |
|   |           | Completion Report                                      |           |   |                                      |
| Consulting Services-Construction Consulting Engineers | 5 months  | Development of Scoping report ,Preliminary Design      | Excellent | Fair in terms of project supervision, site meetings and monitoring all project Administration | Evaluate consultant on monthly basis |
|   |           | Monitoring   |           |   |                                      |
|   |           | Completion Report                                      |           |   |                                      |
|   | 6 months  | Development of Scoping report ,Preliminary Design      | Good      | Fair in terms of project supervision, site meetings and monitoring all project Administration | Evaluate consultant on monthly basis |
|   |           | Monitoring   |           |   |                                      |
|   |           | Completion Report                                      |           |   |                                      |
| Construction of Road- Bagma                           | 10 months | Construction of access road according to project Spec. | Good      | Fair construction methods and standards   | Weekly site Meetings                 |
| Construction of Road-Kgwadi ya Madiba                 | 6 months  | Construction of access road according to project Spec. | Good      | Fair construction methods and standards   | Weekly site Meetings                 |
| Construction of Road-Loge                             | 5 months  | Construction of access road according to project Spec. | Excellent | Fair construction methods and standards   | Weekly site Meetings                 |
| Construction of Road-NMC- Katekile Construction       | 5 months  | Construction of access road according to project Spec. | Good      | Good on construction methods and standards  | N/A                                  |
| Construction – Mulalo business                        | 6 months  | Construction of access road according to               | Fair      | Fair construction methods and   | Weekly site Meetings                 |

|  |          |  |      |  |                      |
|--|----------|--|------|--|----------------------|
| enterprise   |          | project Spec.  |      | standards                                  |                      |
| Construction of Road-Dikgabo consultant                  | 6 months | Construction of access road according to project Spec. | Good | Good on construction methods and standards | N/A                  |
| Construction of Road-Mohlake Civils                      | 5 months | Construction of access road according to project Spec. | Fair | Fair construction methods and standards    | Weekly site Meetings |
| Construction of Road-Mazaxa                              | 8 months | Construction of access road according to project Spec. | Good | Fair construction methods and standards    | Weekly site Meetings |
| Consulting Services-Mogoba Maphuthi Consulting Engineers | 8 months | Development of Scoping report ,Preliminary Design      | Fair | Fair construction methods and standards    | Weekly site Meetings |
|  |          | Monitoring   |      |  |                      |
|  |          | Completion   |      |  |                      |
|  |          | Report   |      |  |                      |

### PERFORMANCE ON NATIONAL PERFORMANCE INDICATORS

The following table indicate the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These Key Performance Indicators were linked to the National Key Performance Areas.

### **MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

| KPA AND INDICATOR  | MUNICIPAL ACHIEVEMENT | MUNICIPAL ACHIEVEMENT | MUNICIPAL ACHIEVEMENT |
|--|-----------------------|-----------------------|-----------------------|
|  | 2012/13               | 2013/14               | 2014/15               |
| Debt coverage (Total operating revenue – operating grants received)/ debt service payments due within a year | 0.77                  | 0.48                  | 0.35                  |
| Service debtors to revenue –(Total outstanding service debtors/ revenue received for services)               | 0                     | 0                     | 0                     |
| Cost coverage ( Available cash +investments)/ Monthly fixed operating  | 0.70                  | 2.03                  | 1.77                  |

|  |     |     |     |
|--|-----|-----|-----|
| expenditure  |     |     |     |
| The percentage of a Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's integrated development plan | 75% | 49% | 56% |

| <b>Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)</b> |                           |  |                                |  |
|---|---------------------------|--|--------------------------------|--|
| Total Jobs created / Top 3 initiatives  | Jobs created              | Jobs lost/displaced by other initiatives | Net total jobs created in year | Method of validating jobs created/lost |
|   | No.                       | No.                                      | No.                            |  |
| Total (all initiatives)   |                           |  |                                |  |
| Initiative A (12/13)  | 1120                      | 3  | 1117                           | Register of employees                  |
| Initiative B (12/13)  |                           |  |                                |  |
| Initiative C (12/13)  |                           |  |                                |  |
| <b>Job creation through EPWP* projects</b>                                      |                           |  |                                |  |
| Year  | EPWP Implemented Projects | Jobs created through EPWP projects       |                                |  |
|   | No.                       | No.                                      |                                |  |
| 10/11   | 0                         | 0  |                                |  |
| 11/12   | 19                        | 318                                      |                                |  |
| 12/13   | 12                        | 159                                      |                                |  |
| 13/14   | 8                         | 242                                      |                                |  |

| <b>Employees: Local Economic Development Services</b> |         |           |                                  |                                   |
|---|---------|-----------|----------------------------------|-----------------------------------|
| Job Level   | 2014/15 |           |                                  |                                   |
|   | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|   | No.     | No.       | No.                              | 0%                                |
| 0 – 3   | 2       | 2         | 0                                | 0%                                |

|  |                 |                   |             |             |                    |
|--|-----------------|-------------------|-------------|-------------|--------------------|
| 4 – 6  | 0               | 2                 | 0           | 0%          |                    |
| Total  | 2               | 4                 | 0           | 0%          |                    |
| Financial Performance 2014/15: Local Economic Development Services |                 |                   |             |             |                    |
| R'000  |                 |                   |             |             |                    |
| Details  | 2014/15         |                   |             |             |                    |
|  | Original Budget | Adjustment Budget | Actual      | Commitments | Variance to Budget |
| Total Operational Revenue (excluding tariffs)                      |                 |                   |             |             |                    |
| Expenditure:   |                 |                   |             |             |                    |
| Employees  | R 1 358 291     | R 1 358 175       | R 264 879   | R 0.00      | R 1 093 296        |
| Repairs and Maintenance  |                 |                   |             |             |                    |
| Other  | R 0.00          | R 0.00            | R 0.00      | R 0.00      | R 0.00             |
| Total Operational Expenditure                                      | R 2 871 750     | R 3 550 750       | R 3 497 845 | R0.00       | R 52 905           |
|  |                 |                   |             |             |                    |

# **CHAPTER 4**

## **ORGANIZATIONAL DEVELOPMENT PERFORMANCE**

## 4.1 HUMAN RESOURCE MANAGEMENT

### EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Makhuduthamaga Municipality provided capacity building services to a growing staff complement of 125 officials and 61 Councillors: Human resource management services have achieved 74.8% of filled vacancies. Amongst those filled are three posts of Section 57 Managers that is the Municipal Manager, Snr. Manager Corporate Services and Infrastructure Development. This has made the Municipality to improve its management services and its overall performance, thus an improved audit opinion.

Human resource development services also achieved 33% of employees, 33% of Councillors and 55% of Ward Committees trained/work-shopped according to their skills requirements and SALGA priorities. The Ward Committees were trained in collaboration with COGHSTA. These have built capacity within the internal stakeholders to deliver services better.

Labour relations subdivision which is also responsible for consultation between employer and employees through Local Labour Forum established through the SALGA collective agreement.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

| Human Resource Services Policy Objectives Taken From IDP |                             |   |  |
|--|-----------------------------|---|--|
| Service Objectives                                       | Outline Service Targets     | 2014/15   |  |
| Service Indicators                                       |                             | *Current Year   | Following year   |
| <b>Service Objective: Human Resource Management</b>      |                             |   |  |
|  | Filling of all vacant posts | Ensure realistic human resources planning through filling of posts, implementation of employment equity plan and effective human resource management.<br><br>Ensure implementation of WSP through training and improve educational standards by providing bursary to the community. | Ensure realistic human resources development and effective human resource management.<br><br>Ensure promotion of employment equity and skills development. |
|  | Conduct internal survey     | Conduct Bathopele internal and external customer satisfaction surveys   | Ensure compliance to the principles of Bathopele and other municipal policies.   |
|  | Do staff reengineering      | To conduct reengineering of available staff against competencies and skills.<br><br>To align skills, qualification and competency to available approved posts.  | Achieved   |

| Employees: Human Resource Services                     |                 |                   |                                  |                                   |                    |
|--|-----------------|-------------------|----------------------------------|-----------------------------------|--------------------|
| Job Level  | 2014/15         |                   |                                  |                                   |                    |
|  | Posts           | Employees         | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |                    |
|  | No.             | No.               | No.                              | %                                 |                    |
| 0 – 3  | 0               | 0                 | 0                                | 0%                                |                    |
| 4 – 6  | 0               | 0                 | 0                                | 0%                                |                    |
| 7 – 9  | 4               | 3                 | 1                                | 25%                               |                    |
| 10 – 12  | 1               | 1                 | 0                                | 0%                                |                    |
| 13 – 15  | 0               | 0                 | 0                                | 0%                                |                    |
| 16 – 18  | 0               | 0                 | 0                                | 0%                                |                    |
| 19 – 20  | 0               | 0                 | 0                                | 0%                                |                    |
| Total  | 5               | 4                 | 1                                | 25%                               |                    |
|  |                 |                   |                                  |                                   |                    |
| Financial Performance 2014/15: Human Resource Services |                 |                   |                                  |                                   |                    |
| R'000  |                 |                   |                                  |                                   |                    |
| Details  | Original Budget | Adjustment Budget | Actual                           | Commitments                       | Variance to Budget |
| Total Operational Revenue (excluding tariffs)          |                 |                   |                                  |                                   |                    |
| Expenditure:   |                 |                   |                                  |                                   |                    |
| Employees  | R 8 409 644     | R 7 665 467       | R 7 359 762                      | R 0.00                            | R 305 705          |
| Repairs and Maintenance                                | R 500 000       | R 657 208         | R 557 983                        | R 0.00                            | R 99 225           |
| Other  | R 7 800 000     | R 8 120 600       | R 8 772 379                      | R 0.00                            | R -651 779         |
| Total Operational Expenditure                          | R 8 409 644     | R 7 665 467       | R 7 359 762                      | R 0.00                            | R 305 705          |
|  |                 |                   |                                  |                                   |                    |
| Capital Expenditure 2014/15: Human Resource Services   |                 |                   |                                  |                                   |                    |
| R' 000   |                 |                   |                                  |                                   |                    |
| Capital Projects                                       | 2014/15         |                   |                                  |                                   |                    |

|                   | <b>Budget</b> | <b>Adjustment<br/>Budget</b> | <b>Actual<br/>Expenditure</b> | <b>Commitments</b> | <b>Variance to<br/>Budget</b> |
|-------------------|---------------|------------------------------|-------------------------------|--------------------|-------------------------------|
| Total All         |               |                              |                               |                    |                               |
| IT Infrastructure | R 1 000 000   | R 2 362 267                  | R 2 067<br>619.45             | R0.00              | R 294 647                     |

## 5.2 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Communication Technology(ICT) services is established to promote effective administration in order to achieve service delivery targets. It is therefore intergral to the fuctionality and efficiency of the Municipality by providing systems and tools of trade to both adminstration and Council.

Service delivery priorities for ICT are to ensure that the Municipality has effecient and effective backup systems, officials are trained on ICT, all municipal sites are connected through internet. The Municipality has , during the reporting period, identified the need to strengthen the ICT unit by creating a strategic position (ICT Manager) which has been filled and municipal ICT Strategy as well as Disaster Plan have been developed.

The Municipality has also managed to install and maintain backup system, VPN established, LAN restructured and Server room upgraded.

|                                     |  |           |                                  |                                   |
|-------------------------------------|--|-----------|----------------------------------|-----------------------------------|
| Service Objective :                 |  |           |                                  |                                   |
| ICT Systems Support and Maintenance | To develop monthly maintenance plan for Municipal Backup system. |           |                                  |                                   |
| ICT Infrastructure                  | To procure ICT equipment.  |           |                                  |                                   |
| Website Management                  | To update municipal website on monthly basis.                    |           |                                  |                                   |
| Internet Upgrade                    | To upgrade internet connectivity.                                |           |                                  |                                   |
| Software Licenses                   | To renew software licenses on annual basis.                      |           |                                  |                                   |
| Employees: ICT Services             |  |           |                                  |                                   |
| Job Level                           | 2014/15  |           |                                  |                                   |
|                                     | Posts  | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |



|   | No.             | No.               | No.                | %                             |                     |
|---|-----------------|-------------------|--------------------|-------------------------------|---------------------|
| 0 – 3   | 0               | 0                 | 0                  | 0%                            |                     |
| 4 – 6   | 1               | 1                 | 0                  | 0%                            |                     |
| 7 – 9   | 1               | 1                 | 1                  | 0%                            |                     |
| 10 – 12                                       | 1               | 0                 | 1                  | 100%                          |                     |
| 13 – 15                                       | 0               | 0                 | 0                  | 0%                            |                     |
| 16 – 18                                       | 0               | 0                 | 0                  | 0%                            |                     |
| 19 – 20                                       | 0               | 0                 | 0                  | 0%                            |                     |
| Total   | 3               | 2                 | 1                  | 100%                          |                     |
| Financial Performance 2014/15: ICT Services   |                 |                   |                    |                               |                     |
| R'000   |                 |                   |                    |                               |                     |
| Details                                       | 2013/14         |                   |                    |                               |                     |
|   | Original Budget | Adjustment Budget | Actual             | Variance to Budget            |                     |
| Total Operational Revenue (excluding tariffs) |                 |                   |                    |                               |                     |
| Expenditure:                                  |                 |                   |                    |                               |                     |
| Employees                                     |                 |                   |                    |                               |                     |
| Repairs and Maintenance                       |                 |                   |                    |                               |                     |
| Other   |                 |                   |                    |                               |                     |
| Total Operational Expenditure                 |                 |                   |                    |                               |                     |
| Net Operational (Service) Expenditure         |                 |                   |                    |                               |                     |
|   |                 |                   |                    |                               |                     |
| Capital Expenditure 2014/15: ICT Services     |                 |                   |                    |                               |                     |
| R' 000  |                 |                   |                    |                               |                     |
| Capital Projects                              | 2014/15         |                   |                    |                               |                     |
|   | Budget          | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |

|                       |                     |          |  |  |  |
|-----------------------|---------------------|----------|--|--|--|
| <b>Total All</b>      | <b>2 100 000.00</b> | <b>0</b> |  |  |  |
| VPN ESTABLISHMENT.    | 250 000.00          | 0        |  |  |  |
| LAN RESTRUCTURING     | 500 000.00          | 0        |  |  |  |
| INTRANET CONNECT      | 150 000.00          | 0        |  |  |  |
| UPGRADING SERVER ROOM | 200 000.00          | 0        |  |  |  |
| ELETRONIC DOC MNGT    | 500 000.00          | 0        |  |  |  |
| ICT EQUIPMENT         | 150 000.00          | 0        |  |  |  |
| SOFTWARE LICENCE      | 300 000.00          | 0        |  |  |  |
| UPGRADING DOMAIN      | 100 000.00          | 0        |  |  |  |
|                       |                     |          |  |  |  |

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

During the reporting period, the implemented capital projects including upgrading of the server room and the acquisition of ICT equipment, and backup system contributed to the improvement on ICT governance within Makhuduthamaga. The developed ICT strategy will strengthen municipal compliance to the legislative requirements and governance.

#### **COMPONENT E: ORGANISATIONAL PERFORMANCE SCORECARD**

This component includes: Annual Performance Scorecard Report for the current year is attached as Annexure 1.

#### **COMPONENT F: MANAGING THE MUNICIPAL WORKFORCE**

##### **MUNICIPAL WORKFORCE MANAGEMENT**

The Municipality has established policies and procedures for the management of the workforce in 2013/14. The Municipality did not review human resource policies for this reporting period because Policy Development Committee was not established.

The municipal workforce is structured as follows:

- Three (3) appointed Senior Managers, (who all meet minimum qualification NQF level 6 and competency requirements). Three vacancies exist in the following departments: Budget & Treasury, Economic Development & Planning and Community Services.
- Twenty three (23) Appointed Managers in various departments who all meet NQF level 6 Qualification.
- Appointed officers/ skilled officers.
- Semi skilled officers.

| <b>Employees:</b>                  |                       |                            |                       |                      |                      |
|------------------------------------|-----------------------|----------------------------|-----------------------|----------------------|----------------------|
| <b>Description</b>                 | <b>2013/14</b>        | <b>2014/15</b>             |                       |                      |                      |
|                                    | <b>Employee<br/>s</b> | <b>Approve<br/>d Posts</b> | <b>Employee<br/>s</b> | <b>Varianc<br/>e</b> | <b>Varianc<br/>e</b> |
|                                    | <b>No.</b>            | <b>No.</b>                 | <b>No.</b>            | <b>No.</b>           | <b>%</b>             |
| Water                              | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Waste Water (Sanitation)           | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Electricity                        | 0                     | 1                          | 0                     | 1                    | 100%                 |
| Waste Management                   | 1                     | 1                          | 1                     | 0                    | 0%                   |
| Housing                            | 1                     | 0                          | 0                     | 0                    | 0%                   |
| Waste Water (Storm water Drainage) | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Roads                              | 1                     | 1                          | 1                     | 0                    | 0%                   |
| Transport                          | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Planning                           | 1                     | 14                         | 10                    | 04                   | 25%                  |
| Local Economic Development         | 1                     | 3                          | 3                     | 0                    | 0%                   |
| Planning (Strategic &Regulatory)   | 0                     | 2                          | 1                     | 1                    | 50%                  |
| Local Economic Development         | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Community & Social Services        | 1                     | 16                         | 8                     | 8                    | 50%                  |
| Environmental Protection           | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Health                             | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Security and Safety                | 0                     | 0                          | 0                     | 0                    | 0%                   |
| Sport and Recreation               | 1                     | 1                          | 0                     | 1                    | 100%                 |
| Corporate Policy Offices and Other | 6                     | 0                          | 0                     | 0                    | 0%                   |
| <b>Totals</b>                      | <b>13</b>             | <b>39</b>                  | <b>24</b>             | <b>15</b>            | <b>38%</b>           |

| <b>Vacancy Rate 2013/14</b> |                                      |  |   |
|-----------------------------|--------------------------------------|--|---|
| <b>Designations</b>         | <b>*Total<br/>Approved<br/>Posts</b> | <b>*Variances<br/>(Total time that<br/>vacancies exist<br/>using fulltime<br/>equivalents)</b> | <b>*Variances<br/>(as a<br/>proportion<br/>of total<br/>posts in<br/>each<br/>category)</b> |
|                             | <b>No.</b>                           | <b>No.</b>   | <b>%</b>  |

|  |           |             |           |
|--|-----------|-------------|-----------|
| <b>Municipal Manager</b>   | 1         | 0           | 0%        |
| <b>CFO</b>   | 1         | 9 Months    | 100%      |
| <b>Other S57 Managers (excluding Finance Posts)</b>                      | 5         | 2x 12Months | 40%       |
| <b>Other S57 Managers (Finance posts)</b>                                | 6         | 33 Months   | 50%       |
| <b>Municipal Police</b>  | 0         | 0           | 0%        |
| <b>Fire fighters</b>   | 0         | 0           | 0%        |
| <b>Senior management: Levels 13-15 (excluding Finance Posts)</b>         | 21        | 0           | 0%        |
| <b>Senior management: Levels 13-15 (Finance posts)</b>                   | 5         | 0           | 0%        |
| <b>Highly skilled supervision: levels 9-12 (excluding Finance posts)</b> | 41        | 0           | 0%        |
| <b>Highly skilled supervision: levels 9-12 (Finance posts)</b>           | 15        | 0           | 0%        |
| <b>Total</b>   | <b>39</b> | <b>0</b>    | <b>0%</b> |

| <b>Turn-over Rate</b> |   |   |                        |
|-----------------------|---|---|------------------------|
| <b>Details</b>        | <b>Total Appointments as of beginning of Financial Year</b> | <b>Terminations during the Financial Year</b> | <b>Turn-over Rate*</b> |
|                       | <b>No.</b>  | <b>No.</b>                                    |                        |
| <b>2013/14</b>        | 133   | 13  | 09.7                   |

#### **COMMENT ON VACANCIES AND TURNOVER.**

Only six officials left the Municipality, which amounts to low turnover rate. The challenge is that some of the terminations involve scarce skills like accountant and technicians. This has direct impact on service delivery.

#### **4.3. POLICIES**

The Municipality has developed 18 human resources policies in 2013/14 financial year and were not reviewed in the current financial year. However Management is in the process of establishing a Policy Development Committee to review all policies in 2015/16. The Committee is comprised of both employer and employee representatives.

| HR Policies and Plans |   |           |          |  |
|-----------------------|---|-----------|----------|--|
| Name of Policy        |   | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
|                       |   | %         | %        |  |
| 1                     | Affirmative Action                          | 100       | 0        | Policy noted by Council on the 31/08/2013.             |
| 2                     | Attraction and Retention                    | 100       | 0        | Same as above  |
| 3                     | Code of Conduct for employees               | 100       | 0        | It forms part of the employment contract.              |
| 4                     | Delegations, Authorisation & Responsibility | 100       | 0        | Not reviewed   |
| 5                     | Disciplinary Code and Procedures            | 100       | 0        | Collective agreement with SALGA                        |
| 6                     | Essential Services                          | 0         | 0        | Not developed  |
| 7                     | Employee Assistance / Wellness              | 0         | 0        | Not developed  |
| 8                     | Employment Equity                           | 100       | 0        | Policy noted by Council on the 31/08/2013.             |
| 9                     | Exit Management                             | 100       | 0        | Not developed  |
| 10                    | Grievance Procedures                        | 100       | 0        | Collective agreement from SALGA                        |
| 11                    | HIV/Aids                                    | 100       | 0        | Policy noted by Council on the 31/08/2013.             |
| 12                    | Human Resource and Development              | 100       | 0        | Policy noted by Council on the 31/05/2013.             |
| 13                    | Information Technology                      | 100       | 0        | Adopted by Council on the 31/05/2012. Not reviewed.    |
| 14                    | Job Evaluation                              | 100       | 0        | Policy noted by Council on the 31/05/2013.             |
| 15                    | Leave                                       | 100       | 0        | Policy noted by Council on the 31/05/2013.             |
| 16                    | Occupational Health and Safety              | 100       | 0        | Policy noted by Council on the 31/08/2013.             |
| 17                    | Official Housing                            | 0         | 0        | Not developed  |
| 18                    | Official Journeys                           | 100       | 0        | Policy noted by Council on the 31/05/2013.             |

|  |   |     |   |  |
|--|---|-----|---|--|
| 19   | Official transport to attend Funerals   | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 20   | Official Working Hours and Overtime     | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 21   | Organisational Rights                   | 100 | 0 | Collective agreement from SALGA            |
| 22   | Payroll Deductions                      | 100 | 0 | Not reviewed                               |
| 23   | Performance Management and Development  | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 24   | Recruitment, Selection and Appointments | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 25   | Remuneration Scales and Allowances      | 100 | 0 | Not reviewed                               |
| 26   | Resettlement                            | 0   | 0 | Not developed                              |
| 27   | Sexual Harassment                       | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 28   | Skills Development                      | 100 | 0 | Policy noted by Council on the 31/08/2013. |
| 29   | Smoking                                 | 100 | 0 | Policy noted by Council on the 31/05/2013. |
| 30   | Special Skills                          | 0   | 0 | Policy noted by Council on the 31/05/2013. |
| 31   | Work Organisation                       | 0   | 0 | Not developed                              |
| 32   | Uniforms and Protective Clothing        | 100 | 0 | Not reviewed                               |
| 33   | Other: Succession Planning              | 0   | 0 | Policy noted by Council on the 31/08/2013. |
| <b>Use name of local policies if different from above and at any other HR policies not listed.</b> |   |     |   |  |

#### 4.4 INJURIES, SICKNESS AND SUSPENSIONS

| Number and Cost of Injuries on Duty |                    |                              |   |                                   |                      |  |
|-------------------------------------|--------------------|------------------------------|---|-----------------------------------|----------------------|--|
| Type of injury                      | Injury Leave Taken | Employees using injury leave | Average injury leave taken per employee | Average Injury Leave per employee | Total Estimated Cost |  |
|                                     |                    |                              |   |                                   |                      |  |

|   | Days             | No.  | %                          | Days                     | R'000                             |                |
|---|------------------|--|----------------------------|--------------------------|-----------------------------------|----------------|
| Required basic medical attention only                                     | 0                | 0  | 0%                         | 0                        | 0                                 |                |
| Temporary total disablement   | 0                | 0  | 0%                         | 0                        | 0                                 |                |
| Permanent disablement   | 0                | 0  | 0%                         | 0                        | 0                                 |                |
| Fatal   | 0                | 0  | 0%                         | 0                        | 0                                 |                |
| Total   | 0                | 0  | 0%                         | 0                        | 0                                 |                |
| <b>Number of days and Cost of Sick Leave (excluding injuries on duty)</b> |                  |  |                            |                          |                                   |                |
| Salary band   | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost |
|   | Days             | %  | No.                        | No.                      | Days                              | R' 000         |
| Lower skilled (Levels 1-2)  | 0                | 0  | 0                          | 0                        | 0                                 |                |
| Skilled (Levels 3-5)  | 32               | 2  | 8                          | 43                       | 0,137                             |                |
| Highly skilled production (levels 6-8)                                    | 0                | 0  | 0                          | 0                        | 0,                                |                |
| Highly skilled supervision (levels 9-12)                                  | 222              | 21   | 20                         | 56                       | 0,178                             |                |
| Senior management (Levels 13-15)  | 57               | 1  | 9                          | 19                       | 0,060                             |                |
| MM and S57  | 2                | 2  | 1                          | 3                        | 0,009                             |                |
| Total   | 313              | 26   | 38                         | 121                      | 0,386                             |                |
| * - Number of employees in post at the beginning of the year              |                  |  |                            |                          |                                   |                |
|   |                  |  |                            |                          |                                   |                |

No cases for injury on duty were reported in the year under review.

### Number and Period of Suspensions

| Position         | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised |
|------------------|------------------------------|--------------------|--|----------------|
| Manager protocol | Alleged assault              | 28 January 2015    | Case dismissed   | October 2015   |

### 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 Finalised |
|----------|---|---------------------------|----------------|
| None     | None  | None                      | None           |

### COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No cases were received for financial misconduct and therefore there were no suspensions.

## 4.5 CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) endeavoured to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way, by identifying training focused to improve service delivery and also fulfilling SALGA training priorities for Section 57 and Finance officials. Achievements are 33% of employees, 33% of councillors and 55% of Ward Committees trained during this financial year. Challenges experienced are repeating the same people for more training and training that deviate from their skills audit. This has been addressed by the appointment of Section 57 Managers whose responsibility is to ensure that training is service focused.

### SKILLS DEVELOPMENT AND TRAINING

#### SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality was able to prepare and submit Workplace Skills Plan for 2013/14 to LGSETA on time. It has appointed Skills Development Facilitator who ensures that the WSP is adhered to. The following milestones were achieved to build capacity within the structures of the Municipality. Councillors trained through workshops and training sessions were 33%, employees achieved 33% whereas Ward Committees achieved 55%.

It is still in the process of complying with the minimum MFMA competency regulations requirements for its Section 57 and Finance officials.

The following are currently still undergoing training.

- The Municipal Manager.
- The Director Corporate Services



- The Chief Financial Officer
- Finance officials x 16
- Finance Interns x 6
- Manager x 5

However the total numbers of people who have been trained in line with the minimum MFMA competency regulations requirements are six (6)

## **MANAGING THE WORKFORCE EXPENDITURE**

Annexure E- EMPLOYEE EXPENDITURE 2013/14

DISCLOSURE OF FINANCIAL INTEREST

- See Component E: Annual Performance Scorecard Report 2013/14

## **COMPONENT E: PERFORMANCE SCORECARD**

ANNUAL PERFORMANCE REPORT

KPA 1: SPATIAL RATIONALE:

Strategic Objectives:-

| No | Directorate                       | Project                | Measurable Objective                                   | Key Performance Indicators                            | 2013/2014 Baseline    | Original Target               | Revised Target  | Annual Actual Performance   | Reason for not attaining target                | Corrective Action                        | Evidence                                       | Original Budget 2014/15 | Revised Budget 2014/15 | Actual Annual Spending |
|----|-----------------------------------|------------------------|--|---|-----------------------|-------------------------------|---|---|--|--|--|-------------------------|------------------------|------------------------|
| 1  | Economic Development and Planning | Demarcation of Sites   | To ensure effective and efficient utilisation of space | Number of planned settlements                         | 1 Settlement acquired | 1 Settlement to be demarcated | 1 Settlement to be demarcated                           | 1 Settlement sides demarcated<br><b>Target attained</b>                               | None   | None                                     | General plan                                   | R1 500 000              | R1500 000              | R 503 508              |
| 2  | Economic Development and Planning | Implementation of LUMS | To ensure effective and efficient utilisation of space | Number of workshops with traditional authorities held | 1 LUMS Awareness held | 1 LUMS Awareness Seminar      | 4 LUMS Awareness Workshops with traditional authorities | 4 LUMS Awareness Workshop with traditional authorities held<br><b>Target attained</b> | None   | None                                     | LUMS Summit report                             | R70 500                 | R104 610               | R 104 610              |
| 3  | Economic Development and Planning | Acquisition of land    | To ensure effective and efficient utilisation of space | Number of Sites acquired                              | 0                     | 1 Site acquired               | 1 Site acquired   | <b>Target Not attained</b>  | Waiting an approval from Traditional Authority | To request intervention from politicians | Authorisation from GaMoloi Traditional Council | R 500 000               | R65 890                | R 0.00                 |
| 4  | Economic Development and Planning | Acquisition of GIS     | To ensure effective and efficient                      | % Progress in acquisition                             | New                   | 100% Acquisition of GIS       | 100% Acquisition of GIS                                 | 100% GIS acquired<br><b>Target</b>  | None   | None                                     | Invoices and proof of                          | R700 000                | R700 000               | R 612 696              |

| No | Directorate                       | Project                           | Measurable Objective                                   | Key Performance Indicators                  | 2013/2014 Baseline | Original Target                        | Revised Target                         | Annual Actual Performance  | Reason for not attaining target                                   | Corrective Action   | Evidence                   | Original Budget 2014/15 | Revised Budget 2014/15 | Actual Annual Spending |
|----|-----------------------------------|-----------------------------------|--|---|--------------------|--|--|--|---|---|----------------------------|-------------------------|------------------------|------------------------|
|    |                                   |                                   | utilisation of space                                   | n of GIS                                    |                    |  |  | <i>attained</i>  |   |   | payment                    |                         |                        |                        |
| 5  | Economic Development and Planning | Building Regulations Awareness    | To ensure effective and efficient utilisation of space | Number of awareness seminars                | New                | 4 Awareness seminars                   | 4 Awareness seminars                   | 4 Awareness seminar held<br><br><i>Target attained</i>   | None  | None  | Awareness seminars reports | R200 000                | R50 000                | R 0                    |
| 6  | Economic Development and Planning | Development of municipal park     | To ensure effective and efficient utilisation of space | % Progress in development of municipal park | New                | 100% Development of municipal park     | 100% Development of municipal park     | 30% Progress<br><br>Site handed over<br><br>Construction in progress<br><br><i>Target not attained</i> | Delay in land acquisition   | Continuous monitoring of service provider to complete project by 30 September 2015. | Progress report            | R500 000                | R1 000 000             | R 0                    |
| 7  | Economic Development and Planning | Development of municipal cemetery | To ensure effective and efficient utilisation of space | % Progress in development of                | New                | 100% Development of municipal cemetery | 100% Development of municipal cemetery | 0%<br><br><i>Target not attained</i>   | Difficulties from traditional authorities to release the land for | Continuous engagement with Kgoshi Madhlaba through intervention                     | Progress report            | R 200 000               | R0                     | R 0                    |

| No | Directorate                       | Project                     | Measurable Objective                                   | Key Performance Indicators                 | 2013/2014 Baseline | Original Target                  | Revised Target                   | Annual Actual Performance        | Reason for not attaining target    | Corrective Action   | Evidence            | Original Budget 2014/15 | Revised Budget 2014/15 | Actual Annual Spending |
|----|-----------------------------------|-----------------------------|--|--|--------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|---|---------------------|-------------------------|------------------------|------------------------|
|    |                                   |                             |  | municipal cemetery                         |                    |                                  |                                  |                                  | cemetery                           | of the Mayor  |                     |                         |                        |                        |
| 8  | Economic Development and Planning | Formalisation of Jane Furse | To ensure effective and efficient utilisation of space | % Progress in formalisation of Jane Furse. | New                | 100% Formalisation of Jane Furse | 100% Formalisation of Jane Furse | 0%<br><b>Target not attained</b> | Budget adjusted in January 2014/15 | Project to be implemented during the first quarter of 2015/16 | Adjusted to 2015/16 | R 1 000 000             | R0                     | R 0                    |

## **KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

| No | Directorate             | Project  | Measurable Objective   | Key Performance Indicators                     | 2014/2015 Baseline                        | Original Annual Target   | Revised Annual Performance  | Reason for not attaining target            | Corrective Action                | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|--|--|---|--|---|--|----------------------------------|---------------------------|-------------------------|------------------------|------------------------|
| 9  | Infrastructure Services | Upgrading of Masemola sports ground (MIG)        | To ensure greater investment in infrastructure and provisioning of services to the community of Makhuduthamaga | % Progress in upgrading Masemola Sports ground | New                                       | 100%<br><br>1 Upgrading of Masemola Sports ground                    | 100%<br><br>1 Masemola Sports ground upgraded<br><br><b>Target attained</b> | None                                       | None                             | Quarterly progress report | R2 827 714.23           | R4 600 000             | R4 547 859.00          |
| 10 | Infrastructure Services | Rietfontein storm water control(PH 1)            | To provide sustainable accessible road and storm water infrastructure  | % Progress in erecting the stormwater          | New                                       | 100%<br>Erection of 200m storm water                                 | 100%<br>Erected of 200m storm water<br><br><b>Target attained</b>           | None                                       | None                             | Quarterly progress report | R2 602 695.52           | R2 602 695.52          | R2 602 695.52          |
| 11 | Infrastructure Services | Kutupu road and storm water phase2 2012/13 (MIG) | To provide sustainable accessible road infrastructure  | % Progress in tarring of road                  | 4.5km Construction of Kutupu road Phase 2 | 100% Construction<br><br>(4.5km construction of Kutupu road Phase 2) | 55%<br>Subbase and installation of stormwater pipes completed               | Contract terminated due to non performance | To be implemented in the 2015/16 | Quarterly progress report | R 4748554.26            | R600 000.00            | R201 153.00            |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators            | 2014/2015 Baseline                                  | Original Annual Target  | Revised Annual Performance                         | Reason for not attaining target | Corrective Action | Evidence                   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|---------------------------------------|---|---|--|---------------------------------|-------------------|----------------------------|-------------------------|------------------------|------------------------|
|    |                         |  |   |                                       |   |   | <b>Target not attained</b>                         |                                 |                   |                            |                         |                        |                        |
| 12 | Infrastructure Services | Vierfontein to Rietfontein Link road Phase3 (MIG)        | To provide sustainable accessible road infrastructure | % Progress in repairs and Maintenance | 5.8km Link road between Vierfontein and Rietfontein | 100% Construction (5.8km link road between Vierfontein and Rietfontein) | 100% 2km Surfaced road<br><b>Target attained</b>   | None                            | None              | Quarterly progress report. | R5 069 613.59           | R5 09 613.59           | R 5 069 613.59         |
| 13 | Infrastructure Services | Jane Furse Police station to Marangrang access road MIG) | To provide sustainable accessible road infrastructure | % Progress in tarring of road         | New   | 100% 3.5km Surface road. Jane Furse police Station to Marangrang        | 100% 3.5km Surfaced road<br><b>Target attained</b> | None                            | None              | Quarterly progress report. | R 7 374 476.95          | R 7 374 476.95         | R 7 374 474.95         |

| No | Directorate             | Project   | Measurable Objective  | Key Performance Indicators                     | 2014/2015 Baseline                                 | Original Annual Target  | Revised Annual Performance  | Reason for not attaining target                                  | Corrective Action                      | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|---|---|--|--|---|---|--|--|---------------------------|-------------------------|------------------------|------------------------|
| 14 | Infrastructure Services | Rietfontein storm water control (MIG) PH2         | To provide sustainable accessible road and storm water infrastructure | % Progress in constructing stormwater drainage | 200m   | 100% Construction Rietfontein stormwater control for 4.1km            | 100% Rietfontein stormwater control for 4.1km constructed<br><b>Target attained</b> | None   | None                                   | Quarterly progress report | R4 750000.00            | R4 750000.00           | R4 469 487.14          |
| 15 | Infrastructure Services | Construction of Moretsele /Dichueoung road link   | To provide sustainable accessible road infrastructure                 | % Progress in erecting the bridge              | 3km Construction of Moretsele /Dichueung road link | 100% Construction (3km construction of Moretsele/Dichueung road link) | 12%- Site handed over to Contractor<br><b>Target not attained</b>                   | Two service providers withdrawn appointment due to under pricing | New Service Provider appointed in June | Quarterly progress report | R 4 681 694 .35         | R 4 681 694 .35        | R0.00                  |
| 16 | Infrastructure Services | Construction of Moripane /Mogorwane access bridge | To provide sustainable accessible road infrastructure                 | % Progress in erecting the bridge              | New  | 100% Construction (Construction of Moripane                           | 100% Moripane /Mogorwane access bridge constructed                                  | None   | None                                   | Quarterly progress report | R 3 696 000 .00         | R 3 696 000 .00        | R3 696 000.00          |



| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators        | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance  | Reason for not attaining target       | Corrective Action            | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-----------------------------------|--------------------|--|---|---------------------------------------|------------------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         |  |   |                                   |                    | /Mogorwane access bridge)  | <b>Target attained</b>  |                                       |                              |                           |                         |                        |                        |
| 17 | Infrastructure Services | Construction of Moripane/Riverside Pedestrian bridge (MIG) | To provide sustainable accessible road infrastructure | % Progress in erecting the bridge | New                | 100% Construction (Construction of Moripane/Riverside Pedestrian bridge) | 100% Moripane/Riverside Pedestrian bridge constructed<br><b>Target attained</b> | None                                  | None                         | Quarterly progress report | R3 000 000.00           | R5 100 000.00          | R3 462 251.37          |
| 18 | Infrastructure Services | Construction of Lobethal/Phaahla access bridge (MIG)       | To provide sustainable accessible road infrastructure | % Progress in erecting the bridge | New                | 100% Construction (Construction of Lobethal/Phaahla access bridge)       | 90% Foundation and pipe culverts completed<br><b>Target not attained</b>        | Delays due to rains and social issues | To be rolled over to 2015/16 | Quarterly progress report | R6 000 000.00           | R6 000 000.00          | R3 859 569.85          |
| 19 | Infrastructure Services | Access roads to Peter                                      | To provide sustainable accessible road                | % Progress in tarring of          | 1 km               | 100% Construction  | 100% Access roads to  | None                                  | None                         | Quarterly progress        | R 3 351 251             | R 3 351 251.1          | R3 351 251.10          |

| No | Directorate             | Project                                      | Measurable Objective                                  | Key Performance Indicators        | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance   | Reason for not attaining target | Corrective Action | Evidence                   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-----------------------------------|--------------------|--|--|---------------------------------|-------------------|----------------------------|-------------------------|------------------------|------------------------|
|    |                         | Nchabeleng sports field Phase 2(MIG)         | infrastructure  | road                              |                    | n<br>(Access roads to Peter Nchabeleng sports field Phase<br><br>1km surfaced road<br><br>1km surfaced road) | Peter Nchabeleng sports field Phase<br><br>1km Surfaced road<br><br><b>Target attained</b> |                                 |                   | report.                    | .10                     | 0                      |                        |
| 20 | Infrastructure Services | Construction of Makhutso access bridge (MIG) | To provide sustainable accessible road infrastructure | % in Construction                 | New                | 100% Construction<br>(Construction of Makhutso access bridge)  | 100% Makhutso access bridge constructed<br><br><b>Target attained</b>                      | None                            | None              | Quarterly progress report. | R5 000 000.00           | R5 000 000.00          | R4 835 881.14          |
| 21 | Infrastructure Services | Construction of Skotiphola access bridge     | To provide sustainable accessible road infrastructure | % Progress in erecting the bridge | New                | 100% Construction<br>(Construction of  | 100% Skotiphola access Bridge  | None                            | None              | Quarterly progress report  | R 3 000 000 .00         | R 3 000 000 .00        | R2 928 131.38          |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators       | 2014/2015 Baseline | Original Annual Target                                   | Revised Annual Performance                             | Reason for not attaining target    | Corrective Action                            | Evidence                   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|----------------------------------|--------------------|--|--|------------------------------------|--|----------------------------|-------------------------|------------------------|------------------------|
|    |                         | (MIG)  |   |                                  |                    | Skotiphola access Bridge)                                | constructed 2 bridges<br><br><b>Target attained</b>    |                                    |  |                            |                         |                        |                        |
| 22 | Infrastructure Services | PMU overheads  | To improve the PMU administration                     | % Progress in PMU administration | Business plan      | PMU overheads  | 100% PMU Overheads spent<br><br><b>Target attained</b> | None                               | None   | Quarterly progress report. | R 1 000 000 .00         | R 1 000 000 .00        | R1 000 000.00          |
| 23 | Infrastructure Services | Construction of access road to Mohlala/Madibane ng (6km) | To provide sustainable accessible road infrastructure | % Progress in tarring of road    | New                | Construction of access road to Mohlala/Madibane ng (6km) | 15%- Design Stage<br><br><b>Target not attained</b>    | Delays in approval of funds by MIG | To be finalised in July 2015 and rolled over | Quarterly progress report. | R3900 00 0.00           | R3900 00 0.00          | R1 200 009.60          |
| 24 | Infrastructure Services | Construction of access road to Seopela                   | To provide sustainable accessible road infrastructure | % Progress in tarring of road    | New                | 100% Construction (Construction of access                | 100% Access road to Seopela                            | None                               | None   | Quarterly progress report  | R 3 500 000 .00         | R 3 500 000 .00        | R3 746 521.98          |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance   | Reason for not attaining target | Corrective Action        | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-------------------------------|--------------------|--|--|---------------------------------|--------------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         | Tribal Office (1.1km)                                |   |                               |                    | road to Seopela Tribal Office (1.1km))                                   | Tribal Office<br>1.1km surfaced road<br><br><b>Target attained</b> |                                 |                          |                           |                         |                        |                        |
| 25 | Infrastructure Services | Construction of access road from Maloma to Tsopaneng | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1.1km              | 100% Construction (Construction of access road from Maloma to Tsopaneng) | 0%<br><br><b>Target not attained</b>                               | Budget reallocated              | None                     | None                      | R3 000 000              | R0                     | R0                     |
| 26 | Infrastructure Services | Access road to Nkosi/Dlamini (1km)                   | To provide sustainable accessible road infrastructure | % In Construction             | New                | 100% Construction (Access road to Nkosi/Dlamini (1km))                   | 30% Road bed complete<br><br><b>Target not attained</b>            | None                            | None                     | Quarterly progress report | R 3 500 000 .00         | R 3 500 000 .00        | R243 913.77            |
| 27 | Infrastructure Services | Construction of New Stand/                           | To provide sustainable accessible road                | % Progress in tarring of road | New                | 100% Construction  | 15% Design Stage<br><br><b>Target not</b>                          | Delays in implementation due to | To commence in July 2015 | Quarterly Progress        | R3 500 000.00           | R 3 500 000.00         | R279 737.30            |

| No | Directorate             | Project                                      | Measurable Objective   | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target                                       | Revised Annual Performance                             | Reason for not attaining target              | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|--|-------------------------------|--------------------|--|--|--|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         | Moloi access bridge                          | infrastructure   |                               |                    | (Construction of New Stand/Moloi access bridge)              | <b>attained</b>  | concerns about the location by the community | and rolled over   | report                    |                         |                        |                        |
| 28 | Infrastructure Services | Road master plan (reviewal)                  | To promote well informed roads and storm water design standard                     | % Progress                    | 1 Road Master Plan | 100% Reviewed document                                       | 0% Reviewed document<br><br><b>Target not attained</b> | Budget reallocated                           | None              | None                      | R500 000                | R0                     | R0                     |
| 29 | Infrastructure Services | Upgrading of Peter Nchabeleng sport s ground | To provide sustainable accessible road infrastructure                              | % Progress in tarring of road | 1 Sport Ground     | 100% Complete (Upgrading of Peter Nchabeleng sport s ground) | 0% <b>Target not attained</b>                          | Budget reallocated                           | None              | None                      | R0                      | R0                     | R0                     |
| 30 | Infrastructure Services | Construction of Thusong Centre               | To ensure greater investment in infrastructure and provisioning of services to the | % In Construction             | New                | 100% Construction<br><br>(Construction of Thusong            | 0% <b>Target not attained</b>                          | Delays in finalising plans                   | To be rolled over | Quarterly progress report | R 500 000.00            | R300 000               | R0.00                  |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target  | Revised Annual Performance                                 | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-------------------------------|--------------------|---|--|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         |  | community of Makhuduthamaga                           |                               |                    | Centre)   |  |                                 |                   |                           |                         |                        |                        |
| 31 | Infrastructure Services | Construction of road from Jane Furse Comprehensive to New Jane Furse Hospital (0.8 km) | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><br>(Construction of road from Jane Furse Comprehensive to New Jane Furse Hospital (0.8 km)) | 55% Base and kerbs completed<br><br><b>Target attained</b> | None                            | None              | Quarterly progress report | R 3 500 000.00          | R 4 000 000.00         | R781 442.30            |
| 32 | Infrastructure Services | Design and construction of access road to Mashabela Tribal Office Phase 2              | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><br>(Design and construction of access road to Mashabela tribal office                       | 0%<br><br><b>Target attained</b>                           | Budget reallocated              | None              | Quarterly progress report | R3 340 000.00           | R0                     | R0                     |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target  | Revised Annual Performance   | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-------------------------------|--------------------|---|--|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         | (1,2km)  |   |                               |                    | Phase 2)  |  |                                 |                   |                           |                         |                        |                        |
| 33 | Infrastructure Services | Design and Construction of access road to Mashegoana/Legare/Tswaledi Tribal Offices phase 2(1,2KM) | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><br><i>(Design and Construction of access road to Mashegoana/Legare/Tswaledi tribal offices phase 2(1,2KM)</i> | 35% Upper and Lower selected layers completed<br><br><b>Target attained</b>              | None                            | None              | Quarterly progress report | R 3 500 000.00          | R5 000 000             | R788 861.32            |
| 34 | Infrastructure Services | Construction of access road to Tisane Tribal Office Phase 3 (1.3KM)                                | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1.2km              | 100% Construction<br><br><i>(Construction of access road to Tisane tribal office Phase 3</i>  | 100%<br><br>60% Subbase and installation of pipe culverts completed<br><br><b>Target</b> | None                            | None              | Quarterly progress report | R 3 500 000.00          | R3 500 000             | R3 141 786.98          |

| No | Directorate             | Project   | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance  | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|---|---|-------------------------------|--------------------|--|---|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         |   |   |                               |                    | (1.3KM)  | <b>attained</b>   |                                 |                   |                           |                         |                        |                        |
| 35 | Infrastructure Services | Construction of access road to Mampane Tribal Office Phase 3            | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 3.1km              | 100% Construction<br><br>(Construction of access road to Mampane tribal office phase 3)            | 45% Upper and Lower selected layers completed<br><br><b>Target attained</b> | None                            | None              | Quarterly progress report | R 4 008 790             | R 3 500 000.00         | R3 248 043.87          |
| 36 | Infrastructure Services | Construction of access road to Mogashoa Manamane and Ditlhakane Phase 2 | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 2km                | 100% Construction<br><br>(Construction of access road to Mogashoa Manamane and Ditlhakane Phase 2) | 45% Upper and Lower selected layers completed<br><br><b>Target attained</b> | None                            | None              | Quarterly progress report | R3 000 000.00           | R3 000 000.00          | R714 835.14            |
| 37 | Infrastructure          | Construction  | To provide  | % Progress                    | 1.7km              | 100%   | 40% Upper   | None                            | None              | Quarterly                 | R3                      | R3                     | R3 454                 |



| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance                                       | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-------------------------------|--------------------|--|--|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    | Services                | on of access road to Maila Mapitsane Tribal Office Phase 3                         | sustainable accessible road infrastructure            | in tarring of road            |                    | Construction<br><i>(Construction of access road to Maila Mapitsane Tribal Office Phase 3)</i>                    | and Lowe selected layers completed<br><br><b>Target attained</b> |                                 |                   | progress report           | 500 000.00              | 500 000.00             | 2000.78                |
| 38 | Infrastructure Services | Design and Construction of access road to Marulaneng Tribal Office Phase 2 (1.5km) | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><i>(Design and Construction of access road to Marulaneng Tribal Office Phase 2 (1.5km))</i> | 90% Surfacing complete<br><br><b>Target attained</b>             | None                            | None              | Quarterly progress report | R 3 500 000.00          | R3 500 000.00          | R 3 500 000            |

| No | Directorate             | Project  | Measurable Objective                                  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance                                    | Reason for not attaining target | Corrective Action      | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|---|-------------------------------|--------------------|--|---|---------------------------------|------------------------|---------------------------|-------------------------|------------------------|------------------------|
| 39 | Infrastructure Services | Construction of access road to Tjatane tribal office Phase 2 | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><i>(Construction of access road to Tjatane tribal office Phase 2)</i> | 100%<br>600m and stormwater control<br><b>Target attained</b> | None                            | None                   | Quarterly progress report | R3 500 000              | R 6 000 000 .00        | R6 000 000.00          |
| 40 | Infrastructure Services | Construction of access road to Mashupye village (2.6KM)      | To provide sustainable accessible road infrastructure | % Progress in tarring of road | 1km                | 100% Construction<br><i>(Construction of access road to Mashupye village (2.6KM))</i>      | 0%<br><b>Target not attained</b>                              | Budget reallocated              | None                   | None                      | R 300 000.00            | R0.00                  | R0.00                  |
| 41 | Infrastructure Services | Construction of access road to                               | To provide sustainable accessible road                | % Progress in tarring of road | New                | 100% Construction  | 15% Design Stage<br><b>Target not</b>                         | Delays in approval of funds by  | To be funded by ES and | Quarterly progress report | R 3 500 000 .00         | R 3 500 000 .00        | R 878 392.80           |

| No | Directorate             | Project  | Measurable Objective   | Key Performance Indicators   | 2014/2015 Baseline     | Original Annual Target  | Revised Annual Performance   | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|--|--|------------------------------|------------------------|---|--|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                         | Maila Segolo Tribal office (3.7km)                           | infrastructure   |                              |                        | (Construction of access road to Maila Segolo Tribal office (3.7km))                     | <b>attained</b>  | MIG                             | rolled over       |                           |                         |                        |                        |
| 42 | Infrastructure Services | Repairs and maintenance of the existing road and storm water | To provide sustainable accessible road infrastructure                              | % In Repairs and maintenance | Approved priority list | 100% Construction<br><br>(Repairs and maintenance of the existing road and storm water) | 100% Road and storm water Maintained<br><br><b>Target attained</b> | None                            | None              | Quarterly progress report | R17 500 000             | R23 100 000            | R 21 601 830           |
| 43 | Infrastructure Services | Maintenance of electricity existing high-mast and street     | To provide sustainable accessible road and storm water, electricity, high mast and | % Completed                  | Approved Priority list | 100% Repaired<br><br>(Maintenance of electricity existing)                              | 100% Electrical infrastructure maintenance                         | None                            | None              | Quarterly progress report | R1 595 429.00           | R2 500 000.00          | R 1 546 863            |

| No | Directorate             | Project   | Measurable Objective      | Key Performance Indicators | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance              | Reason for not attaining target | Corrective Action | Evidence  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------------------|---|---------------------------|----------------------------|--------------------|--|---|---------------------------------|-------------------|-----------|-------------------------|------------------------|------------------------|
|    |                         | lights  | street lights             |                            |                    | high-mast and street)  | e<br><b>Target attained</b>             |                                 |                   |           |                         |                        |                        |
| 44 | Infrastructure Services | Installation of High mast at Phokwane Taxi Rank | Installed high mast light | % Progress                 | New                | 100% Complete<br>(Installation of High mast at Phokwane Taxi Rank) | No budget<br><b>Target not attained</b> | No budget                       | No budget         | No budget | R 650 000               | R0                     | R 0                    |
| 45 | Infrastructure Services | Installation of High mast at Mamone             | Installed high mast light | % Progress                 | New                | 100% Complete<br>(Installation of High mast at Mamone)             | No budget<br><b>Target not attained</b> | No budget                       | No budget         | No budget | R 650 000               | R0                     | R0                     |
| 46 | Infrastructure Services | Installation of High mast at Phaahla            | Installed high mast light | % Progress                 | New                | 100% Complete<br>(Installation of High mast at Phaahla)            | No budget<br><b>Target not attained</b> | No budget                       | No budget         | No budget | R650 000                | R0                     | R 0                    |

| No | Directorate        | Project   | Measurable Objective                                     | Key Performance Indicators         | 2014/2015 Baseline | Original Annual Target   | Revised Annual Performance   | Reason for not attaining target                     | Corrective Action                             | Evidence             | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|---|--|------------------------------------|--------------------|--|--|---|---|----------------------|-------------------------|------------------------|------------------------|
| 47 | Community Services | Waste management assets                                   | To ensure clean environment                              | Recorded volumes of waste disposed | 1truck             | 1<br><i>(Waste management assets)</i><br><br><b>Target attained</b>  | 02 Waste Trucks delivered in the first quarter<br><br><b>Target attained</b> | None  | None  | Reports              | R4 600 000              | R3 000 000             | R 2 833 024            |
| 48 | Community Services | Environmental awareness and Cleanup campaigns             | To ensure clean environment                              | Number of activities conducted     | New                | 4 Campaigns annually( <i>Environmental awareness and Cleanup campaigns</i> )<br><br><b>Target attained</b> | 04 Environmental awareness campaigns held.<br><br><b>Target attained</b>     | None  | None  | Reports              | R400 000                | R375 000               | R 0                    |
| 49 | Community Services | Wetlands and protections of environmental sensitive areas | Wetlands and protection of environmental sensitive areas | Number of wetlands fenced          | 02 wetlands fenced | Fencing 3 wetlands<br><br><i>(Wetlands and protections of environmental</i>                                | 01 Wetland fenced.<br><br><b>Target not attained</b>                         | Vacant Snr. Manager position and budget constraints | Project deferred to 2015/2016 Financial year. | Reports and invoices | R 300 000               | R325 000               | R 325 000              |

| No | Directorate        | Project  | Measurable Objective   | Key Performance Indicators  | 2014/2015 Baseline              | Original Annual Target                                   | Revised Annual Performance  | Reason for not attaining target  | Corrective Action  | Evidence             | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|--|--|-----------------------------|---------------------------------|--|---|--|--|----------------------|-------------------------|------------------------|------------------------|
|    |                    |  |  |                             |                                 | sensitive)   |   |  |  |                      |                         |                        |                        |
| 50 | Community Services | Fencing of cemeteries                          | Securing community cemeteries from vandals and stray animals | Number of cemeteries fenced | 11 Cemeteries fenced in 2013/14 | Fencing of 07 cemeteries                                 | 0%<br><b>Target Not attained</b>                                  | Poor planning and budget constraint  | Project deferred to 2015/2016 Financial year.                | Reports and invoices | R 950 000               | R 3 051 654            | R 2 324 135            |
| 51 | Community Services | Developing municipal IWMP                      | To provide protection on wetlands                            | % Of municipal IWMP         | New                             | N/A<br>Developing municipal IWMP                         | 70% Progress<br>Draft IWMP in place<br><b>Target not attained</b> | Council schedule revised Still need to go on consultation processes                | Consultation will be done in the next financial year.        | Reports              | R500 000                | R0                     | R 0                    |
| 52 | Community Services | Upgrading and maintenance of sports facilities | To be user-friendly to community                             | % Progress                  | 03 Sports Facilities            | 100%<br>(Upgrading and maintenance of sports facilities) | 0%<br><b>Target not attained</b>                                  | Poor planning. Two service providers appointed for upgrading of sports facilities. | Upgrading and maintenance will be done in the first quarter. | Reports and invoices | R200 000                | R 832 600              | R 332 600              |

| No | Directorate        | Project                                 | Measurable Objective                          | Key Performance Indicators            | 2014/2015 Baseline           | Original Annual Target  | Revised Annual Performance   | Reason for not attaining target | Corrective Action      | Evidence | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|---|---|---------------------------------------|------------------------------|---|--|---------------------------------|------------------------|----------|-------------------------|------------------------|------------------------|
| 53 | Community Services | Sports Arts and Culture promotion       | To promote involvement of community in sports | Number of meetings and workshops held | New                          | 4<br><i>(Sports Arts and Culture promotion)</i>                       | <b>Target not attained</b><br><br>Only 3 awareness: 01 arts and culture workshop held 02 sports workshops held | Inadequate capacity             | Appoint sports officer | Reports  | R400 000                | R 700 000              | R 619 142              |
|    | Community Services | Road safety extension of traffic lights | To improve traffic safety and property safety | Number of cameras installed           | 8 cameras installed at DLTCs | 8   |  |                                 |                        |          |                         | Reports and invoices   | R200 000 .00           |
| 54 | Community Services | Library awareness campaign              | To promote education within the community     | Number of activities held             | New                          | 6 Library weekly programme<br><br><i>(Library Awareness campaign)</i> | 05 Library awareness campaign has been conducted<br><br><b>Target not attained</b>                             | None                            | None                   | Reports  | R382 500                | R382 500               | R 0                    |

| No | Directorate        | Project                                 | Measurable Objective                     | Key Performance Indicators                    | 2014/2015 Baseline | Original Annual Target  | Revised Annual Performance                            | Reason for not attaining target | Corrective Action                                     | Evidence             | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|---|--|---|--------------------|---|---|---------------------------------|---|----------------------|-------------------------|------------------------|------------------------|
| 55 | Community Services | Road safety extension of traffic lights | To improve public and community services | No of traffic lights installed                | 2 traffic lights   | 2 traffic lights  | 3 traffic lights installed                            | None                            | None  | Reports and invoices | R200 000 .000           | R200 000 .00           |                        |
| 56 | Community Services | Traffic Safety awareness                | To promote safety and awareness          | No. of campaigns held                         | New                | 8 traffic safety awareness campaigns<br><i>(Traffic Safety Awareness)</i> | 0<br><b>Target Not attained</b>                       | Inadequate capacity             | The project will continue in the next financial year. | Reports              | R 300 000               | R300 000               | R 100 180              |
| 57 | Community Services | Purchase of Traffic vehicles            | To improve traffic safety                | Number of traffic vehicles                    | New                | 4 traffic vehicles<br>(Purchase of Traffic vehicles)                      | 4 traffic vehicles bought<br><b>Target Attained</b>   | None                            | None  | Reports and invoices | R1 226 045              | R1 767 044             | R 1 767 000            |
| 58 | Community Services | Procuring alcohol measuring equipment   | To improve traffic safety                | Number of alcohol measuring equipments bought | New                | 10<br><i>(Procuring Alcohol Measuring Equipment)</i>                      | Alcohol measuring equipment procured<br><b>Target</b> | None                            | None  | Reports              | R 100 000               | R0                     | R 0                    |



| No | Directorate        | Project                      | Measurable Objective                          | Key Performance Indicators             | 2014/2015 Baseline           | Original Annual Target  | Revised Annual Performance  | Reason for not attaining target | Corrective Action | Evidence             | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|------------------------------|---|--|------------------------------|---|---|---------------------------------|-------------------|----------------------|-------------------------|------------------------|------------------------|
|    |                    |                              |   |  |                              |   | <b>attained</b>   |                                 |                   |                      |                         |                        |                        |
| 59 | Community Services | Phase 2 CCTV cameras         | To improve traffic safety and property safety | Number of cameras installed            | 8 Cameras installed at DLTCs | 8<br>(Phase 2 CCTV cameras)                                     | CCTV camera installed and maintenance is done monthly<br><br><b>Target attained</b> | None                            | None              | Reports and invoices | R 700 000               | R0                     | R 0                    |
| 60 | Community Services | Speed and tracking equipment | To improve public and community services      | Number of cameras purchased            | 1 Laser camera purchased     | Speed and tracking equipment                                    | 4 Tracking cameras in place<br><br><b>Target attained</b>                           | None                            | None              | Reports and invoices | R 500 000               | R0                     | R 0                    |
| 61 | Community Services | Disaster relief              | To relief families in distress                | No. of availability of disaster relief | Legislative requirements     | 25 Shelters' 150 sleeping sponges and 150 blankets<br>(Disaster | 10 Families relieved<br><br><b>Target attained</b>                                  | None                            | None              | Reports and invoices | R 500 000               | R 639 500              | R 501 800              |

| No | Directorate        | Project                                | Measurable Objective                                | Key Performance Indicators               | 2014/2015 Baseline | Original Annual Target  | Revised Annual Performance      | Reason for not attaining target            | Corrective Action | Evidence          | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|--------------------|--|---|--|--------------------|---|---------------------------------|--|-------------------|-------------------|-------------------------|------------------------|------------------------|
|    |                    |  |   |  |                    | Relief)   |                                 |  |                   |                   |                         |                        |                        |
| 62 | Community Services | Procurement of disaster relief vehicle | Disaster vehicles to relief material transportation | No. Of Vehicle delivery purchased        | New                | 1 Disaster vehicle<br><i>(Procurement of Disaster Relief vehicle)</i> | 0<br><b>Target not attained</b> | Project withdrawn during budget adjustment | Unfunded mandates | Budget adjustment | R 405 000               | R0                     | R 0                    |
| 63 | Community Services | Disaster volunteers corps              | Effective disaster relief                           | Number of disaster volunteers appointed. | New                | Appointment of 35 Volunteers<br><i>(Disaster Volunteers Corps)</i>    | 0<br><b>Target not attained</b> | Project withdrawn during budget adjustment | Unfunded mandates | Budget adjustment | R139 500                | R0                     | R 0                    |

### KPA 3: LOCAL ECONOMIC DEVELOPMENT

| No | Directorate                       | Project                      | Measurable Objective   | Key Performance Indicators            | 2014/2015 Baseline    | Annual Target                    | Annual Actual Performance  | Reason for not attaining target | Corrective Action | Evidence   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-----------------------------------|------------------------------|--|---------------------------------------|-----------------------|----------------------------------|--|---------------------------------|-------------------|--|-------------------------|------------------------|------------------------|
| 64 | Economic Development and Planning | Annual LED Summit and Forums | To promote Local economic development in the municipal area  | No. Of Summit and forum meetings held | 1 Summit              | 1 Summit 3 Forums                | 1 Summit held and 3 LED forums held<br><br><b>Target attained</b>      | None                            | None              | Report of the summit and minutes of the forum meetings | R 171 750               | R171 750               | R 41 492               |
| 65 | Economic Development and Planning | Revival of cultural villages | To promote Local economic development in the municipal area  | No. Of cultural villages revived      | New                   | 1 Revival of cultural villages   | 1 Cultural village revived at Hoepakrans<br><br><b>Target attained</b> | None                            | None              | Progress report  | R 400 000               | R0                     | R 0                    |
| 66 | Economic Development and Planning | Ward 29 & 30 recycling       | To promote Local economic development in the municipal area. | Number of jobs created                | 145 EPWP participants | To appoint 144 EPWP participants | 144 EPWP participants appointed.<br><br><b>Target attained</b>         | None                            | None              | Progress report<br><br>Appointment contracts           | R 6000 000              | R0                     | R 0                    |
| 67 | Economic Development and Planning | Ward 21 Mamone Cultural      | To promote Local economic development                        | Number of cultural villages           | New                   | To appoint 17 EPWP participants  | 17 EPWP participants appointed   | None                            | None              | Progress report<br><br>Appointment contracts           | R 200 000               | R0                     | R 0                    |

| No | Directorate                       | Project             | Measurable Objective  | Key Performance Indicators  | 2014/2015 Baseline    | Annual Target         | Annual Actual Performance  | Reason for not attaining target | Corrective Action | Evidence                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-----------------------------------|---------------------|---|---|-----------------------|-----------------------|--|---------------------------------|-------------------|---------------------------|-------------------------|------------------------|------------------------|
|    |                                   | village             | t in the municipal area.                                    | revived   |                       | ts                    | <b>Target attained</b>   |                                 |                   |                           |                         |                        |                        |
| 68 | Economic Development and Planning | Tourism Development | To promote tourism development in the municipal             | Number of tourism development initiatives undertaken<br>Number of tourism events participated | 1 Tourism Development | 1 Tourism Development | Durban Tourism Indaba and international tourism at Johannesburg attended<br><br><b>Target attained</b> | None                            | None              | Progress report           | R 0                     | R0                     | R 0                    |
| 69 | Economic Development and Planning | SMME Support        | To promote Local economic development in the municipal area | Number of SMMEs supported   | 15 supported          | To support 15 SMMEs.  | 15 SMMEs supported<br><br><b>Target attained</b>   | None                            | None              | Report on supported SMMEs | R1500 000               | R 3 397 000.00         | R3 261 069             |

| No | Directorate                       | Project                                | Measurable Objective  | Key Performance Indicators       | 2014/2015 Baseline | Annual Target                            | Annual Actual Performance  | Reason for not attaining target   | Corrective Action   | Evidence                                | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-----------------------------------|--|---|----------------------------------|--------------------|--|--|---|---|---|-------------------------|------------------------|------------------------|
| 70 | Economic Development and Planning | Market stalls                          | To promote Local economic development in the municipal area | Number of Stalls constructed     | 60                 | 50 Stalls                                | 0<br><b>Target not attained</b>  | Late appointment of Service provider Market stalls under construction . | Project committed for the new financial year and it will be completed by November 2015. | Report on construction of market stalls | R 1 000 000.00          | R1 000 000             | R 0                    |
| 71 | Economic Development and Planning | Revival of municipal cultural villages | To promote Local economic development in the municipal area | No. of cultural villages revived | New                | 1 Revival of Municipal Cultural Villages | 1 Revival of Municipal Cultural Villages done<br><b>Target attained</b> in the first quarter | None  | None  | Progress report                         | R 0                     | R0                     | R 0                    |
| 72 | Economic Development and Planning | Landscaping                            | To enhance the municipal front portion.                     | % Progress in landscaping.       | Design in place    | 50% Landscaping                          | 5% Service provider for construction appointed   | Poor planning- Late appointment of Service provider                     | The project is committed to be completed in October                                     | Progress report                         | R100 000.00             | R2 300 000.00          | R 26 400               |

| No | Directorate | Project | Measurable Objective | Key Performance Indicators | 2014/2015 Baseline | Annual Target | Annual Actual Performance  | Reason for not attaining target | Corrective Action | Evidence | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|-------------|---------|----------------------|----------------------------|--------------------|---------------|----------------------------|---------------------------------|-------------------|----------|-------------------------|------------------------|------------------------|
|    |             |         |                      |                            |                    |               | <i>Target not attained</i> |                                 | 2015              |          |                         |                        |                        |

#### KPA 4: FINANCIAL VIABILITY



| No | Directorate                  | Project  | Measurable Objective   | Key Performance Indicators  | 2014/2015 Baseline | Original Annual Target                         | Revised Annual Target                               | Annual Actual Performance   | Reason for not attaining target  | Corrective Action  | Evidence   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|--|--|---|--------------------|--|---|---|--|--|--|-------------------------|------------------------|------------------------|
| 73 | Budget and Treasury Services | Implementation of Revenue enhancement strategy | To maximally harness opportunities for revenue generation                              | Percentage on revenue collected   | 100%               | Implementation of Revenue enhancement strategy | 100% Implementation of Revenue enhancement strategy | 36% Collected revenue<br><br><b>Target not attained</b>   | Poor collection of revenue still remain a challenge  | The strategy is in the process of review and will be implemented     | Report on the implementation of the revenue enhancement strategy | R 0                     | R0                     | R 0                    |
| 74 | Budget and Treasury Services | Review the indigent registers                  | To Improve access to sustainable and affordable services                               | % Update of indigent registers  | 100%               | Review the indigent registers                  | 100% Review the indigent registers                  | The indigent register still not reviewed<br><br><b>Target not attained</b>  | Lack of human capacity remain a challenge  | The indigent register was recently transferred to Community Services | Adjusted to 2015/16  | R200 000                | R0                     | R 0                    |
| 75 | Budget and Treasury Services | FMG programs                                   | To implement FMG programmes as per FMG implementation plan from July 2014 to June 2015 | Percentage of grant utilized for implementation of approved programmes. | 100%               | FMG Programmes                                 | 100% FMG Programmes                                 | Received 100% amounting to R 1,600,000.00 of the grant to date. The grant recognized as income is R 1,292,085.72 which is 80.76% of | The contract for the appointment of interns expired and the municipality is currently in the process of appointing new | None   | Section 71 reports/ Grants reconciliations                       | R 1 600 000             | R1 600 000             | R 1 600 000            |

| No | Directorate                  | Project                         | Measurable Objective  | Key Performance Indicators  | 2014/2015 Baseline | Original Annual Target               | Revised Annual Target                | Annual Actual Performance  | Reason for not attaining target  | Corrective Action | Evidence              | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|---------------------------------|---|---|--------------------|--------------------------------------|--------------------------------------|--|--|-------------------|-----------------------|-------------------------|------------------------|------------------------|
|    |                              |                                 |   |   |                    |                                      |                                      | the amount received<br><br><b>Target attained</b>  | interns  |                   |                       |                         |                        |                        |
| 76 | Budget and Treasury Services | Unconditional Government Grants | To recognise the total amount of the equitable share            | % Progress on the recognised total amount of the equitable share            | 100%               | 100% Unconditional Government Grants | 100% Unconditional Government Grants | The municipality received an amount of R171,043,000.00 which is 94% of the allocated equitable share<br><br><b>Target not achieved</b> | The R10,727,000.00 was set off against the grant for rollover which was not achieved | None              | Grant reconciliations | R 181 770 000           | R181 770 000           | R 178 834 410          |
| 77 | Budget and Treasury Services | Conditional Government Grants   | To recognise the total amount of the grants (FMG,MIG,MSIG,EPWP) | % Progress on the recognised total amount of the grants (FMG,MIG,MSIG,EPWP) | 100%               | 100% Conditional Government Grants   | 100% Conditional Government Grants   | The following expenditure where recognised as follows:<br>1.FMG 100%<br>2.MIG- 95%<br>3.MSIG- 100%<br>4.EPWP - 100%                    | None   | None              | Grant reconciliations | R 61 018 000            | R61 018 000            | R 58 302 137           |

| No | Directorate                  | Project                  | Measurable Objective   | Key Performance Indicators   | 2014/2015 Baseline   | Original Annual Target        | Revised Annual Target         | Annual Actual Performance  | Reason for not attaining target | Corrective Action      | Evidence                                   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|--------------------------|--|--|----------------------|-------------------------------|-------------------------------|--|---------------------------------|------------------------|--|-------------------------|------------------------|------------------------|
|    |                              |                          |  |  |                      |                               |                               | <b>Target attained</b>   |                                 |                        |  |                         |                        |                        |
| 78 | Budget and Treasury Services | MSIG programmes          | To implement MSIG programmes as per MSIG implementation plan from July 2014 to June 2015 | Percentage of grant utilized for implementation of approved programmes | 100% MSIG programmes |                               | 100% MSIG programmes          | The amount received amount to R934,000.00<br>The amount spent and recognized as revenue amounts to R 934,000.00 which is 100% spending<br><b>Target attained</b> | N/A                             | N/A                    | Section 71 reports/ grants reconciliations | R 934 000               | R934 000               | R 934 000              |
| 79 | Budget and Treasury Services | Adherence to s65 of MFMA | To ensure effective and efficient administration   | Percentage of percentage of invoices paid within 30 days               | 100%                 | 100% Adherence to s65 of MFMA | 100% Adherence to s65 of MFMA | All payments where paid within 30 days. Therefore 100%<br><b>Target attained</b>   | None                            | None                   | Ageing analysis and the bank statement     | R 0                     | R0                     | R 0                    |
| 80 | Budget and Treasury          | Own revenue              | To Improve debt collection on a monthly basis  | Percentage on collected  | 11%                  | 80% Own revenue               | 80% Own revenue               | 36% Collected from debtors   | Poor collection on              | To further engage with | Debtors Age Analysis,                      | R 66 943 392            | R 64 130 877           | R 60 936 557           |

| No | Directorate                  | Project                                     | Measurable Objective  | Key Performance Indicators                        | 2014/2015 Baseline   | Original Annual Target  | Revised Annual Target   | Annual Actual Performance   | Reason for not attaining target             | Corrective Action   | Evidence  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|---|---|---|--|---|---|---|---|---|---|-------------------------|------------------------|------------------------|
|    | y Services                   |   | through the use of debt collector.  | overdue debtors account                           |  |   |   | <b>Target not attained</b>  | property rates and traffic fines            | stakeholders involved and to proper ensure better monitoring of the traffic fines | Debtors Payment Report and Debtors Collector Report |                         |                        |                        |
| 81 | Budget and Treasury Services | Building of municipal offices               | To extent the office space by extending municipal buildings in 2014/15 and 2015/16 financial year   | Complete phase of municipal offices construction. | Building plan developed  |   | Phase 1   | None. Target adjusted during adjustment budget.<br><br><b>Target not attained</b> | Approval not granted by Provincial Treasury | None  | Adjusted to 2015/16                                 | R 8 295 828             | R0                     | R 0                    |
| 82 | Budget and Treasury Services | Develop procurement plan for all department | To develop a procurement plan that should be approved by management in June 2014 to facilitate effective and efficient procurement/implementation of the IDP and Budget for | Procurement plan                                  | Procurement plan available for only one department (Budget and treasury) | Develop a procurement plan for all departments before the beginning of the financial year | Develop a procurement plan for all departments before the beginning of the financial year | Approve procurement plan implemented<br><br><b>Target attained</b>                | None  | None  | Approved procurement plan                           | R 0                     | R0                     | R 0                    |

| No | Directorate                  | Project   | Measurable Objective   | Key Performance Indicators        | 2014/2015 Baseline                              | Original Annual Target   | Revised Annual Target  | Annual Actual Performance  | Reason for not attaining target                  | Corrective Action | Evidence                        | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|---|--|-----------------------------------|---|--|--|--|--|-------------------|---------------------------------|-------------------------|------------------------|------------------------|
|    |                              |   | 2014/15 on a monthly basis.  |                                   |   |  |  |  |  |                   |                                 |                         |                        |                        |
| 83 | Budget and Treasury Services | Repairs and maintenance: Other Assets   | To lengthen the life span of assets through timeous repairs and maintenance of the municipal assets that need repairs. | Percentage of assets repaired.    | 100% Repairs of assets                          | 100% Repairs of assets   | 100% Repairs of assets   | 100% Of assets repaired amounting to R1,546,862.79<br><br><b>Target attained</b>                         | N/A  | None              | Repairs and maintenance report. | R1 357 358.39           | R 2 157 358.39         | R 1 327 198            |
| 84 | Budget and Treasury Services | Depreciation  | To run depreciation in ACCPAC for all complete assets for each month of 2014/15 financial year.                        | Amount of depreciation recognized | Amount of depreciation on assets is R11 507 184 | Amount of depreciation on assets is R12,407, 721.00  | Amount of depreciation on assets is R12,407, 721.00  | Amount of depreciation on assets is R12,001,446.07<br><br><b>Target attained</b>                         | N/A  | N/A               | Asset register                  | R15 105 200             | R 12 979 473           | R 12 979 473           |
| 85 | Budget and Treasury Services | Acquisition of new assets: municipal plant, vehicles x2, storage container x1 | To ensure sound asset management   | Number of assets acquired         | 1 Motor grader and 2 Skip loader trucks         | 1 Motor grader Acquisition of new assets: Municipal plant, vehicles x2, storage container x1 | 1 Motor grader Acquisition of new assets: Municipal plant, vehicles x2, storage container x1 | 1. Service provider appointed for the procurement of the municipal plant<br><br>2. Two Vehicles acquired | Late procurement of Motor plant. (Poor Planning) | N/A               | Asset register                  | R 3680 665              | R 11 200 000           | R 3 835 547            |

| No | Directorate                  | Project                   | Measurable Objective  | Key Performance Indicators    | 2014/2015 Baseline | Original Annual Target    | Revised Annual Target                  | Annual Actual Performance  | Reason for not attaining target | Corrective Action | Evidence                      | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|---------------------------|---|-------------------------------|--------------------|---------------------------|--|--|---------------------------------|-------------------|-------------------------------|-------------------------|------------------------|------------------------|
|    |                              |                           |   |                               |                    |                           |  | 3. One Storage container acquired<br><br><b>Target not attained</b>  |                                 |                   |                               |                         |                        |                        |
| 86 | Budget and Treasury Services | Acquisition of stationery | To ensure Timeous replenishment of inventory per Economic Order Quantity. | Amount of stationery consumed | R1 460 380.00      | Acquisition of Stationery | R906 840 .69 Acquisition of Stationery | A service provider was appointed for the procurement on inventory.<br><br>Current inventory spending as at the end of the fourth quarter is R425,027<br><br><b>Target attained</b> | N/A                             | N/A               | Inventory consumption reports | R 906 840.69            | R 906 840.69           | R 780 932              |

| No | Directorate                  | Project   | Measurable Objective   | Key Performance Indicators  | 2014/2015 Baseline  | Original Annual Target  | Revised Annual Target   | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence                                      | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|---|--|---|---|---|---|---|---------------------------------|-------------------|---|-------------------------|------------------------|------------------------|
| 87 | Budget and Treasury Services | Preparation and implementation of Municipal Budget  | To Prepare draft budget and Final budget for 2015/2016 through the use of MFMA timetable; Council approved process plan and MFMA circulars available by 31 May 2015. | Complete set of the draft budget and final budget to be tabled and adopted by council within due dates. | 1 Draft budget tabled on 27 March 2014, 1 Final Budget approved by 31 May 2014. | 1 Draft budget tabled by 31 March 2015, 1 Final Budget approved by 31 May 2015. | 1 Draft budget tabled by 31 March 2015, 1 Final Budget approved by 31 May 2015. | 2015/16 Annual budget approved on the 28 May 2015<br><br><b>Target attained</b>             | None                            | None              | Approved Budget/ Council resolution           | R 0                     | R0                     | R 0                    |
| 88 | Budget and Treasury Services | Preparation and implementation of Adjustment budget | To Prepare draft adjustments budget for 2014/2015 through the use of MFMA timetable; Council approved process plan and MFMA circulars available by 20 February 2015. | Complete set of the draft adjustment budget for 2014/15 to be tabled and adopted by council within due  | Adjustment budget for 2013/14 approved by council on 26 February 2014.          | Preparation and implementation of Adjustment budget                             | Preparation and implementation of Adjustment budget                             | 1 Adjustment budget for 2014/15 approved by 28 February 2015.<br><br><b>Target attained</b> | None                            | None              | Approved Adjustment budget/Council resolution | R 0                     | R0                     | R 0                    |

| No | Directorate                  | Project  | Measurable Objective                   | Key Performance Indicators   | 2014/2015 Baseline   | Original Annual Target                        | Revised Annual Target                          | Annual Actual Performance   | Reason for not attaining target | Corrective Action  | Evidence                                    | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|--|--|--|--|---|--|---|---------------------------------|--|---|-------------------------|------------------------|------------------------|
|    |                              |  |  | dates  |  |   |  |   |                                 |  |   |                         |                        |                        |
| 89 | Budget and Treasury Services | Monitoring and evaluation of the budget  | Effective and efficient administration | Number of section 71 reports submitted per month, Section 52 reports submitted per quarter and section 72 reports submitted by annually. | 12 Section 71 Reports per month, 4 section 52 reports and 1 section 72 per year. | 12 Section 71 reports and 1 section 72 report | 12 Section 71 reports and 1 section 72 report. | 12 Section 71 Reports and 1 section 72 report.<br><br><b>Target attained</b>  | None                            | None   | Acknowledgement of receipt by NT/PT/ Mayor. | R 0                     | R0                     | R 0                    |
| 90 | Budget and Treasury Services | Early detection of unauthorised, irregular, fruitless and wasteful expenditure | Effective and efficient administration | n/a  | n/a  | 0 Zero  | 0 Zero   | Irregular, fruitless and wasteful expenditure identified and reported to council.<br><br><b>Target not attained</b> | None                            | Prevent Section 32 expenditure by improving internal controls. | N/A   | R 0                     | R0                     | R 0                    |



| No | Directorate                  | Project                                    | Measurable Objective   | Key Performance Indicators   | 2014/2015 Baseline      | Original Annual Target                     | Revised Annual Target     | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|--|--|--|-------------------------|--|---------------------------|---|---------------------------------|-------------------|---|-------------------------|------------------------|------------------------|
| 91 | Budget and Treasury Services | Compilation of Annual Financial Statements | To prepare and submit to AG, National Treasury and Provincial Treasury, the GRAP complying Annual financial statements for 30 June 2014, internally by 31 August 2014. | A complete set of Annual Financial Statements for 30 June 2014.            | Qualified audit opinion | Compilation of Annual Financial Statements | Unqualified audit opinion | A complete set of annual financial statements were prepared and submitted to AGSA on 29 August 2014<br><br><b>Target attained</b> | None                            | None              | Complete set of signed and submitted Annual financial statements that comply with GRAP and MFMA requirements. | R 0                     | R0                     | R 0                    |
| 92 | Budget and Treasury Services | Submission of AFS on time                  | To comply with MFMA by submitting AFS to AGSA and NT on or before end of August 2014.  | Submission of Annual financial Statements for June 2014 by 31 August 2014. | Qualified audit opinion | Unqualified audit opinion                  | Unqualified audit opinion | A complete set of annual financial statements were prepared and submitted to AGSA on 29 August                                    | None                            | None              | Acknowledgement of receipt from AGSA and National Treasury.   | R86 842                 | R86 842                | R 86 842               |

| No | Directorate                  | Project                        | Measurable Objective  | Key Performance Indicators                                       | 2014/2015 Baseline | Original Annual Target | Revised Annual Target | Annual Actual Performance  | Reason for not attaining target | Corrective Action | Evidence  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|----|------------------------------|--------------------------------|---|--|--------------------|------------------------|-----------------------|--|---------------------------------|-------------------|---|-------------------------|------------------------|------------------------|
|    |                              |                                |   |  |                    |                        |                       | 2014<br><b>Target attained</b>   |                                 |                   |   |                         |                        |                        |
| 93 | Budget and Treasury Services | Coordination of external audit | To adhere to terms of audit engagement and maintain a good working relation with AGSA within the whole audit process. | Turnaround time for submission of information requested by AGSA. | 2 Working days.    | 2 Working days.        | 2 Working days.       | 2 Days turnaround time for submission of information requested by AG<br><br><b>Target attained</b> | None                            | None              | Minutes of the audit steering committee meetings and the Auditor General's report | R 2 000 000             | R2 100 000             | R 2 213 040            |

## KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| N<br>o | Directorate                     | Project                   | Measurable Objective   | Key Performance Indicators   | 2014/2015 Baseline | Original Annual Target              | Revised Target                      | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|--------|---------------------------------|---------------------------|--|--|--------------------|-------------------------------------|-------------------------------------|---|---------------------------------|-------------------|--|-------------------------|------------------------|------------------------|
| 94     | Office of the Municipal Manager | Risk Based Internal Audit | To evaluate the effectiveness of internal controls within the Municipality | Number of Risk based audit reports as per Annual Internal Audit Plan | 2                  | 4 Risk based Internal Audit Reports | 4 Risk based Internal Audit Reports | 6 Risk Based Audits performed<br><br>Enterprise Risk Management, Occupational Health and Safety, Telecommunication, Supply Chain, ICT Audit, Human Resources Management<br><br><b>Target attained</b> | None                            | None              | Internal Audit Reports approved by Audit Committee and minutes of Audit Committee meetings | R 500 000               | R500 000               | R 309 003              |
| 95     | Office of the Municipal         | PMS Audits                | To evaluate the effective  | Number of PMS Audit  | 3 PMS Reports      | 3 PMS Reports                       | 3 PMS Audit Reports                 | 4 (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter)   | None                            | None              | PMS Internal Audit Reports   |                         |                        |                        |

| N<br>o | Directorate                     | Project          | Measurable Objective   | Key Performance Indicators           | 2014/2015<br>Baseline                | Original Annual Target                               | Revised Target  | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence   | Original Budget<br>2014/15 | Revised Budget<br>2014/15 | Annual Actual Spending |
|--------|---------------------------------|------------------|--|--------------------------------------|--------------------------------------|--|---|---|---------------------------------|-------------------|--|----------------------------|---------------------------|------------------------|
|        | Manager                         |                  | ness of internal controls within the Municipality              | report                               |                                      |  |   | <b>Target attained</b>  |                                 |                   | and minutes of Audit Committee meetings                    |                            |                           |                        |
| 96     | Office of the Municipal Manager | Audit Committee  | To provide oversight review of the Municipality to the Council | Number of Reports by Audit Committee | Oversight support by audit committee | 4 Audit Committee reports                            | 4 Audit Committee reports   | 4 Audit Committee reports<br><br><b>Target attained</b>                               | No                              | None              | Minutes of Council meetings and reports by Audit Committee | R426 000                   | R 576 000                 | R 555 061              |
| 97     | Office of the Municipal Manager | Risk Assessments | To identify risk that may negatively impact on the objective   | No. Of risk assessment conducted     | Risk registers                       | 2 Risks Assessments (Operational and Strategic risk) | 2 Risks Assessments (Operational and Strategic risk assessments for | 2 Risk Assessments Reports :<br><br>1 Operational<br>1 Strategic<br><br><b>Target</b> | None                            | None              | Approved Risk registers                                    | R 400 000.00               | R500 000                  | R 141 844              |

| N o | Directorate        | Project                         | Measurable Objective   | Key Performance Indicators   | 2014/2015 Baseline   | Original Annual Target        | Revised Target                       | Annual Actual Performance   | Reason for not attaining target | Corrective Action  | Evidence | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|--------------------|---------------------------------|--|--|--|-------------------------------|--------------------------------------|---|---------------------------------|--------------------|----------|-------------------------|------------------------|------------------------|
|     |                    |                                 | es municipality  |  |  |                               | all the departments)                 | <b>attained</b>   |                                 |                    |          |                         |                        |                        |
| 98  | Corporate Services | Bathopele buildup activity      | To improve service delivery through efficient customer care services | No. of Build up Activity   | 01   | 01 Bathopele Buildup activity | 01 Bathopele Buildup activity        | 01 Bathopele buildup activity held<br><br><b>Target attained</b>            | None                            | None               | None     | R 300 000               | R 300 000              | R 164 340              |
| 99  | Corporate Services | Management of service complaint |  | % Progress in managing Presidential, Premiers hotline and suggestion boxes at all tribal offices | Presidential and premiers hotlines , suggestion boxes in place |                               | 100% Management of service complaint | 100% Complete Management of service complaint<br><br><b>Target attained</b> | None                            | None               | Report   | R 0                     | R0                     | R 0                    |
| 10  | Corporate          | Review of service               |  | % Progress   | Service standard   |                               | 100%                                 | 0%  | Poor                            | To craft an action | Report   | R 0                     | R0                     | R 0                    |

| N<br>o | Directorate        | Project   | Measurable Objective            | Key Performance Indicators                           | 2014/2015 Baseline                   | Original Annual Target                          | Revised Target                                  | Annual Actual Performance                                    | Reason for not attaining target                     | Corrective Action   | Evidence                                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|--------|--------------------|---|---------------------------------|--|--------------------------------------|---|---|--|---|---|---|-------------------------|------------------------|------------------------|
| 0      | Services           | standard  |                                 | in review of service Standards                       | in place                             |   |   | <b>Target not attained</b>                                   | planning Deferred to the new financial year 2015/16 | plan for the development of service standards   |   |                         |                        |                        |
| 100    | Corporate Services | Office name and numbering of satellites offices |                                 | No. of offices numbered at all traffic stations      | MLM Satellite offices in place       | Office name and numbering of satellites offices | Office name and numbering of satellites offices | 02 Traffic stations upgraded<br><br><b>Target attained</b>   | None  | Project to be properly monitored for completion by 1 <sup>st</sup> quarter – August 2015. | Invoice                                   | R 0                     | R0                     | R 0                    |
| 101    | Corporate Services | Public participation                            | To enhance public participation | Number of public participation programmes to be held | Public participation programmes held | 4 Public participation programmes               | 4 Public participation programmes               | 10 IDP consultation meetings held<br><br>1 SOMA meeting held | None  | None  | Attendance registers, minutes and invites | R 1 998 000             | R1 598 000             | R 792 127              |

| N<br>o  | Directorate           | Project              | Measurable<br>Objective               | Key Performance<br>Indicators                                   | 2014/2015<br>Baseline                                   | Original<br>Annual<br>Target   | Revised<br>Target   | Annual<br>Actual<br>Performance   | Reason<br>for not<br>attaining<br>target | Corrective<br>Action | Evidence   | Original<br>Budget<br>2014/15 | Revised<br>Budget<br>2014/15 | Annual<br>Actual<br>Spending |
|---------|-----------------------|----------------------|---------------------------------------|---|---|--|---|---|--|----------------------|--|-------------------------------|------------------------------|------------------------------|
|         |                       |                      |                                       |   |   |  |   | <b>Target<br/>attained</b>  |  |                      |  |                               |                              |                              |
| 10<br>2 | Corporate<br>Services | Council<br>logistics | To enhance<br>public<br>participation | Number<br>Council<br>meetings,<br>workshops<br>and<br>trainings | 0 Council<br>meetings,<br>workshops<br>and<br>trainings | 4<br>Ordinary<br>Council<br>meetings<br>per<br>annum<br>and 8<br>special<br>meetings<br><br>4 Council<br>workshop<br>per<br>annum<br><br>4<br>Training<br>programmes<br>per<br>annum | 4<br>Ordinary<br>Council<br>meetings<br>per<br>annum<br>and 8<br>special<br>meetings<br><br>4<br>Council<br>workshop<br>per<br>annum<br><br>4<br>Training<br>programmes<br>per<br>annum | 4 Ordinary<br>Council<br>held<br><br>10 Special<br>councils<br><br>4 Council<br>workshop<br>held<br><br>4 Training<br>programme<br>s held<br><br><b>Target<br/>attained</b> | None                                     | None                 | Attendance<br>registers,<br>resolutions<br>& minutes<br><br>Reports<br><br>Certificate<br>s of<br>competency | R 142<br>000                  | R<br>562 000.00              | R 571 214                    |



| N<br>o | Directorate        | Project                         | Measurable Objective            | Key Performance Indicators                      | 2014/2015 Baseline                          | Original Annual Target               | Revised Target   | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|--------|--------------------|---------------------------------|---------------------------------|---|---|--------------------------------------|--|---|---------------------------------|-------------------|--|-------------------------|------------------------|------------------------|
| 103    | Corporate Services | Ward committee support          | To enhance public participation | Number of ward committee meetings and trainings | 0 Ward committee meetings and training held |                                      | 12 Ward committee meetings per ward per annum<br><br>4 Trainings per annum | 12x31 (372) Ward Committee meetings held<br><br>4 Trainings per annum | None                            | None              | Attendance registers & minutes<br><br>Certificates of competency | R 3 720 000             | R3 720 000             | R 3 002 001            |
| 104    | Corporate Services | Whippery support                | To enhance public participation | No of Whippery programmes supported             | 4 Whippery programmes supported             | 4 Whippery programmes supported      | 4 Whippery programmes supported  | 4 Whippery programmes held<br><br><b>Target attained</b>              | None                            | None              | Minutes of programmes and attendance registers                   | R 0                     | R0                     | R 0                    |
| 105    | Corporate Services | Councillors welfare and support | To enhance public participation | % Progress on capacity building programmes      | 100%  | 100% Councillors welfare and support | 100% Councillors welfare and support                                       | 100% Councillors welfare and support including pension fund           | None                            | None              | Attendance registers & minutes and certificates                  | R 0                     | R0                     | R 0                    |

| N<br>o  | Directorate           | Project                     | Measurable<br>Objective  | Key Performance<br>Indicators  | 2014/2015<br>Baseline  | Original<br>Annual<br>Target | Revised<br>Target         | Annual<br>Actual<br>Performance   | Reason<br>for not<br>attaining<br>target                           | Corrective<br>Action                                  | Evidence            | Original<br>Budget<br>2014/15 | Revised<br>Budget<br>2014/15 | Annual<br>Actual<br>Spending |
|---------|-----------------------|-----------------------------|--|--|--|------------------------------|---------------------------|---|--|---|---------------------|-------------------------------|------------------------------|------------------------------|
|         |                       |                             |  |  |  |                              |                           | security<br>concluded<br><b>Target<br/>attained</b>   |  |   |                     |                               |                              |                              |
| 10<br>6 | Corporate<br>Services | Multi-<br>media<br>channels | Improve<br>good<br>governance and<br>deepen<br>community<br>involvement in<br>the<br>affairs<br>of the<br>municipality<br><br>Acquisition of<br>communication<br>equipment | To<br>communicate with<br>stakeholders via<br>multi-<br>media<br>channels<br>such as<br>SMS line,<br>facebook<br><br>Procurement of<br>(06)TV<br>screens | SMS and<br>Social<br>Media<br>System<br>developed<br><br>No. of<br>communications<br>equipments<br>purchased | 4<br>Quarterly<br>reports    | 4<br>Quarterly<br>reports | 3 Year<br>SMS<br>Contract<br>signed<br><br>06 TV<br>screens<br>procured<br><br><b>Target<br/>attained</b> | None<br><br>Service<br>provider<br>failed to<br>deliver on<br>time | None<br><br>Possible<br>termination<br>of<br>contract | Reports<br><br>None | R 500<br>000                  | R850 000                     | R 334 177                    |

| N<br>o | Directorate        | Project                | Measurable Objective  | Key Performance Indicators               | 2014/2015 Baseline                 | Original Annual Target  | Revised Target                          | Annual Actual Performance                       | Reason for not attaining target               | Corrective Action                 | Evidence                                      | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|--------|--------------------|------------------------|---|--|------------------------------------|---|---|---|---|-----------------------------------|---|-------------------------|------------------------|------------------------|
| 107    | Corporate Services | Publication            | To ensure effective involvement and participation of all stakeholders | No. Of newsletters compiled.             | External newsletter compiled       | 4 Quarterly newsletters to be published                             | 4 Quarterly newsletters to be published | 2 Newsletters<br><br><b>Target not attained</b> | Poor service delivery<br><br>Contract expired | To appoint a new Service Provider | None.<br><br>Awaiting delivery of newsletters | R2 500 000              | R2 500 000             | R 604 824              |
| 108    | Corporate Services | Branding and marketing | Improving the image and the identity of the municipality              | No. Of workshops on branding & marketing | Branding manual has been developed | 1 Workshop Improving the image and the identity of the municipality | 1 Workshop                              | 1 Workshop held<br><br><b>Target attained</b>   | None  | None                              | Workshop report                               | R 300 000               | R800 000               | R 192 000              |
| 109    | Corporate Services | Advertising            | Improving the image and the   | % Progress on advertise                  | Advertised programme               | 100% Improving the image  | 100% Improving the image                | 100%<br><br>Posts and projects as               | None  | None                              | Reports                                       | R 400 000               | R 700 000              | R 693 835              |

| N<br>o | Directorate        | Project  | Measurable Objective             | Key Performance Indicators                     | 2014/2015 Baseline | Original Annual Target  | Revised Target  | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence                                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|--------|--------------------|--|----------------------------------|--|--------------------|---|---|---|---------------------------------|-------------------|---|-------------------------|------------------------|------------------------|
|        |                    |  | identity of the municipality     | d programs                                     | es done            | and the identity of the municipality                                  | and the identity of the municipality                                  | requested advertised in newspapers<br><br><b>Target attained</b>  |                                 |                   |   |                         |                        |                        |
| 110    | Corporate Services | Strengthening support for Youth Council, women, disability forums, the elderly | To enhance public participation. | % Progress on mayoral outreach programmes held | 100%               | 100% Support for Youth Council, women, disability forums, the elderly | 100% Support for Youth Council, women, disability forums, the elderly | Disability Forums established , Youth Council established<br><br>Women groups Established<br><br><b>Target attained</b> | None                            | None              | Attendance registers, minutes or reports. | R 2000 000              | R2 000 000             | R 947 640              |
| 111    | Corporate Services | Mayoral outreach   | To enhance public participation. | % Progress on mayoral outreach program         | 100%               |   | 100% Mayoral outreach   | 100% Mayoral outreach<br><br><b>Target</b>  | None                            | None              | Attendance registers, minutes or reports. | R0                      | R0                     | R0                     |

| N<br>o  | Directorate        | Project  | Measurable Objective            | Key Performance Indicators                              | 2014/2015 Baseline                | Original Annual Target | Revised Target | Annual Actual Performance  | Reason for not attaining target | Corrective Action   | Evidence                                  | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|---------|--------------------|--|---------------------------------|---|-----------------------------------|------------------------|----------------|--|---------------------------------|---|---|-------------------------|------------------------|------------------------|
|         |                    |  |                                 | mes held  |                                   |                        |                | <b>attained</b>  |                                 |   |   |                         |                        |                        |
| 11<br>2 | Corporate Services | Develop municipal children's charter                 |                                 | No. Of Municipal children's charter done                | Municipal children's charter done |                        | New KPA        | 01 Children's charter develop and promoted<br><br><b>Target attained</b> | None                            | None  | Report                                    | R0                      | R0                     | R0                     |
| 11<br>3 | Corporate Services | Forge partnership with all stakeholders i.w HIV/AIDS | Support of HIV/Aids initiatives | No. Of municipal AIDS council meetings/ activities held | 4                                 |                        | 4              | None<br><br><b>Target not attained</b>                                   | Committee dysfunctional         | Committee scheduled to be established by the 30 <sup>th</sup> August 2015 | Attendance registers, minutes or reports. | R 200 000               | R200 000               | R 0                    |

## KPA 6: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

| No  | Directorate                            | Project                               | Measurable Objective  | Key Performance Indicators  | 2014/2015 Baseline  | Annual Target                     | Annual Actual Performance                                    | Reason for not attaining target         | Corrective Action  | Evidence              | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|--|---------------------------------------|---|---|---------------------|-----------------------------------|--|---|--|-----------------------|-------------------------|------------------------|------------------------|
| 114 | Economic Development and Planning      | 2015/16 IDP/Budget review             | Improve good governance and deepen community involvement in the affairs of the municipality | No. Of IDP Process Plan to be reviewed and submitted to Council for adoption by 31 <sup>st</sup> August | 2013/14 Adopted IDP | 1 Process plan                    | 2015/16 IDP/Budget Review done<br><br><b>Target attained</b> | None                                    | None   | Approved Draft IDP.   | R0                      | R0                     | R0                     |
| 115 | Economic Development and Planning      | Procurement of PMS system and support | To build the capacity of MLM by way of raising institutional efficiency                     | No. Of PMS System Purchased.  | New                 | Assessment of Section 57 Managers | 0<br><br><b>Target not attained</b>                          | Poor planning and internal arrangements | To develop assessment process plan and complete assessments by the end of July 2015. | PMS Assessment Report | R300 000                | R0                     | R0                     |
| 116 | Legal costs and development of by-laws | Improve good governance and           | No. Of by-laws published  | 0 By-laws published   | 7 By-laws published | 2                                 | 7 By-laws publicity flyers                                   | None                                    | None   | By-Laws Publicity     | R 600 000               | R220 600               | R0                     |

| No  | Directorate        | Project   | Measurable Objective                                   | Key Performance Indicators                     | 2014/2015 Baseline       | Annual Target                            | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence                 | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|--------------------|---|--|--|--------------------------|--|---|---------------------------------|-------------------|--------------------------|-------------------------|------------------------|------------------------|
|     |                    | deepen community involvement in the affairs of the municipality | d.   |  | ed                       |  | <b>Target attained</b>  |                                 |                   | flyers .                 |                         |                        |                        |
| 117 | Corporate Services | Installation of HR premier electronic system.                   | To install and implement HR Premier electronic system. | No. Of HR Premier electronic system installed. | VIP ESS system in place. | 1 HR Premier electronic system in place. | 1 HR system upgraded and synchronised with payroll.<br><br><b>Target attained</b> | None                            | None              | A signed SLA and Invoice | R 0                     | R250 000               | R 0                    |
| 118 | Corporate Services | Implementation of Employ  | To monitor &   | % Of equity targets                            | Annual EEP report        | 100% EEP <sup>1</sup> implement          | 100% EEP implemented  | None                            | None              | Quarterly                | R 0                     | R0                     | R 0                    |



| No  | Directorate                       | Project          | Measurable Objective                                       | Key Performance Indicators     | 2014/2015 Baseline             | Annual Target                       | Annual Actual Performance                                    | Reason for not attaining target | Corrective Action | Evidence                             | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|-----------------------------------|------------------|--|--------------------------------|--------------------------------|-------------------------------------|--|---------------------------------|-------------------|--------------------------------------|-------------------------|------------------------|------------------------|
|     |                                   | ent Equity Plan. | impleme nt employ ment equity plan.                        | achieved by end of the year.   | availab le.                    | ted.                                | d<br><b>Target attained</b>                                  |                                 |                   | reports                              |                         |                        |                        |
| 119 | 1 WSP developedCorporate Services | Impleme nt WSP   | To impleme nt municipal WSP for all internal stakeholders. | Developm ent of WSP(2014/15)   | 1                              | 1                                   | 1 WSP developed.<br><b>Target attained</b>                   | None                            | None              | WSP plan                             | R 500 000               | R1000 000              | R 689 594              |
| 120 | Corporate Services                | Councillors      |  | No. of Councillors trained.    | 6 Councillors trained          | 61 Councillors trained.             | 61 Councillors trained.<br><b>Target attained</b>            | None                            | None              | Minutes of workshop and certificates | R 1000 000.00           | R1000 000              | R 961 115              |
| 121 | Corporate Services                | Ward Committees  |  | No. of Ward Committees trained | ---<br>Ward Committees members | 220 Ward Committee members trained. | 220 Ward Committee members trained<br><b>Target attained</b> | None                            | None              |                                      | R 1 000 000             | R 900 000              | R 899 752              |

| No  | Directorate        | Project   | Measurable Objective                           | Key Performance Indicators                      | 2014/2015 Baseline    | Annual Target                              | Annual Actual Performance   | Reason for not attaining target | Corrective Action   | Evidence   | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|--------------------|---|--|---|-----------------------|--|---|---------------------------------|---|--|-------------------------|------------------------|------------------------|
|     |                    |   |  |   | trained               |  |   |                                 |   |  |                         |                        |                        |
| 122 | Corporate Services | Functionality of the Training Committee in place. |  | No. of approved minutes for training committee. | New                   | 4 Approved minutes for Training Committee. | None<br><b>Target not attained</b>                                | All Meetings didn't quorate.    | Continuous engagement and restructuring of the Committee. | Minutes  | R 50 000.00             | R 50 000               | R 0                    |
| 123 | Corporate Services | Functionality of the Local Labour Forum           | Functional Local Labour Forums (LLF) in place. | No. of approved minutes of LLF.                 | ---<br>Meetings held. | 12 Approved minutes of LLF.                | 3 LLF meetings held<br><b>Target not attained</b>                 | Other meetings didn't quorate.  | To re-appoint LLF members                                 | LLF minutes and appointment letters of new members | R 0                     | R0                     | R 0                    |
| 124 | Corporate Services | Keep Labour cases/ grievance register             |  | % Of cases finalised                            | New                   | 100% Finalised cases.                      | 100% (i.e Two cases)<br>Cases finalised<br><b>Target attained</b> | None                            | None  | Case report  | R 0                     | R0                     | R 0                    |

| No  | Directorate        | Project                  | Measurable Objective                 | Key Performance Indicators    | 2014/2015 Baseline  | Annual Target                   | Annual Actual Performance   | Reason for not attaining target | Corrective Action | Evidence                        | Original Budget 2014/15 | Revised Budget 2014/15 | Annual Actual Spending |
|-----|--------------------|--------------------------|--------------------------------------|-------------------------------|---------------------|---------------------------------|---|---------------------------------|-------------------|---------------------------------|-------------------------|------------------------|------------------------|
| 125 | Corporate Services | OHS & wellness services. | To establish OHS & Wellness services | No. Of OHS post to be filled. | Committee in place. | 1 OHS <sup>i</sup> post filled. | 1 OHS Post filled on the 1/04/2015.<br><br>Committee not place.<br><br><b>Target not attained</b> | None                            | None              | Appointment letter (HR) report. | R 300 000.00            | R200 000               | R 42 925               |

# CHAPTER 5

**FINANCIAL**

**PERFORMANCE**

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### 5.1. STATEMENTS OF FINANCIAL PERFORMANCE

| Financial Summary                     |                |                 |                 |            |                                |                 |
|---------------------------------------|----------------|-----------------|-----------------|------------|--------------------------------|-----------------|
| Description                           | 2013/14 Actual | 2014/15         |                 |            | 2014/15 Variance to actual (%) |                 |
| Financial Performance                 |                | Original Budget | Adjusted Budget | Actual     | Original Budget                | Adjusted Budget |
|                                       | R              | R               | R               | R          | R                              | R               |
| Rental of Facilities and Equipment    | 75,369         | 72,600          | 82,600          | 105,503    | 145.32%                        | 127.73%         |
| Licenses and Permits                  | 4,038,872      | 5,565,352       | 4,565,352       | 4,400,484  | 79.07%                         | 96.39%          |
| Profit on Sale of Assets              | 341,641        | -               | -               | 1,717      | 100.00%                        | 100.00%         |
| Actuarial Gain                        | 1,538,000      | -               | -               | 684,000    | 100.00%                        | 100.00%         |
| Other Income                          | 577,000        | 1,430,000       | 1,230,000       | 749,059    | 52.38%                         | 60.90%          |
| Interest Received - Investment        | 7,827,305      | 11,397,643      | 11,547,643      | 8,119,268  | 71.24%                         | 70.31%          |
| Interest Earned - Outstanding Debtors | 12,455,292     | 10,361,493      | 16,361,493      | 17,086,743 | 164.91%                        | 104.43%         |
| Property Rates                        | 43,986,731     | 35,616,304      | 29,843,789      | 29,841,456 | 83.79%                         | 99.99%          |
| Traffic Fines                         | 156,030        | 2,500,000       | 500,000         | 635,095    | 25.40%                         | 127.02%         |
| Donations Received                    | -              | -               | -               | 236,303    | 100.00%                        | 100.00%         |

|  |                    |                    |                    |                    |               |               |
|--|--------------------|--------------------|--------------------|--------------------|---------------|---------------|
|  |                    |                    |                    |                    |               |               |
| <b>Government Grants &amp; Subsidies - Capital</b>     | 41,539,106         | 57,452,000         | 57,452,000         | 54,735,352         | 95.27%        | 95.27%        |
|  |                    |                    |                    |                    |               |               |
| <b>Government Grants &amp; Subsidies - Operational</b> | 162,144,001        | 185,336,000        | 185,336,000        | 182,401,195        | 98.42%        | 98.42%        |
|  |                    |                    |                    |                    |               |               |
| <b>Total Revenue</b>                                   | <b>274,679,347</b> | <b>309,731,392</b> | <b>306,918,877</b> | <b>298,996,175</b> | <b>96.53%</b> | <b>97.42%</b> |
|  | R                  | R                  | R                  | R                  | %             | %             |
|  |                    |                    |                    |                    |               |               |
| <b>Personnel</b>                                       | 43,738,747         | 63,224,962         | 54,320,812         | 46,859,327         | 74.12%        | 86.26%        |
|  |                    |                    |                    |                    |               |               |
| <b>Remuneration of Councilors</b>                      | 16,688,275         | 18,373,379         | 18,462,625         | 17,529,038         | 95.40%        | 94.94%        |
|  |                    |                    |                    |                    |               |               |
| <b>Administration</b>                                  | 6,054,400          | -                  | -                  | 7,185,419          | 100.00%       | 100.00%       |
|  |                    |                    |                    |                    |               |               |
| <b>Transfer and Subsidies</b>                          | 4,714,587          | 4,404,570          | 4,404,570          | 4,883,432          | 110.87%       | 110.87%       |
|  |                    |                    |                    |                    |               |               |
| <b>Depreciation and Amortisation</b>                   | 10,721,100         | 15,105,200         | 12,407,722         | 13,714,802         | 90.80%        | 110.53%       |
|  |                    |                    |                    |                    |               |               |
| <b>Impairment Loss</b>                                 | -                  | -                  | -                  | 18,442             | 100.00%       | 100.00%       |
|  |                    |                    |                    |                    |               |               |
| <b>Finance Costs</b>                                   | 283,366            | -                  | -                  | 260,000            | 100.00%       | 100.00%       |
|  |                    |                    |                    |                    |               |               |
| <b>Debt Impairment</b>                                 | 36,155,334         | 1,637,591          | 18,935,152         | 27,988,970         | 1709.16%      | 147.81%       |
|  |                    |                    |                    |                    |               |               |
| <b>Repairs and Maintenance</b>                         | 15,446,776         | 30,914,567         | 30,914,567         | 24,211,335         | 78.32%        | 78.32%        |
|  |                    |                    |                    |                    |               |               |
| <b>Contracted Services</b>                             | 13,037,163         | 35,712,000         | 45,037,860         | 12,761,396         | 35.73%        | 28.33%        |
|  |                    |                    |                    |                    |               |               |

|                                   |                    |                    |                    |                    |                |                |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| <b>Loss on Disposal of Assets</b> | 17,909,314         | -                  | -                  | 97,642,738         | 100.00%        | 100.00%        |
|                                   |                    |                    |                    |                    |                |                |
| <b>Auditor's Remuneration</b>     | 2,366,967          | 2,100,000          | 2,100,000          | 2,213,040          | 105.38%        | 105.38%        |
|                                   |                    |                    |                    |                    |                |                |
| <b>General Expenses</b>           | 28,302,262         | 52,088,298         | 52,088,298         | 34,165,810         | 65.59%         | 65.59%         |
|                                   |                    |                    |                    |                    |                |                |
| <b>Total Expenditure</b>          | <b>195,418,291</b> | <b>223,560,567</b> | <b>238,671,606</b> | <b>289,433,749</b> | <b>129.47%</b> | <b>121.27%</b> |
| <b>Surplus/(Deficit)</b>          | <b>79,261,056</b>  | <b>447,121,134</b> | <b>477,343,212</b> | <b>9,562,426</b>   | <b>2.14%</b>   | <b>2.00%</b>   |

## 5.2. GRANTS

| Grants Performance                        |                    |                    |                    |                    |                                |                 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------------------|-----------------|
| Description                               | 2013/14 Actual     | 2014/15            |                    |                    | 2014/15 Variance to actual (%) |                 |
| Transfers and Grants                      |                    | Original Budget    | Adjusted Budget    | Actual             | Original Budget                | Adjusted Budget |
|   | R                  | R                  | R                  | R                  | R                              | R               |
|   |                    |                    |                    |                    |                                |                 |
| <b>National Government</b>                |                    |                    |                    |                    |                                |                 |
|   |                    |                    |                    |                    |                                |                 |
| <b>Equitable Shares</b>                   | 157,820,065        | 181,000,000        | 181,000,000        | 178,834,410        | 98.80%                         | 98.80%          |
|   |                    |                    |                    |                    |                                |                 |
| <b>Municipal System Improvement Grant</b> | 890,000            | 934,000            | 934,000            | 934,000            | 100.00%                        | 100.00%         |
|   |                    |                    |                    |                    |                                |                 |
| <b>EPWP Incentive</b>                     | 1,607,215          | 1,032,000          | 1,032,000          | 1,032,785          | 100.08%                        | 100.08%         |
|   |                    |                    |                    |                    |                                |                 |
| <b>Finance Management Grant</b>           | 1,550,000          | 1,600,000          | 1,600,000          | 1,600,000          | 100.00%                        | 100.00%         |
|   |                    |                    |                    |                    |                                |                 |
| <b>Municipal Infrastructure Grant</b>     | 41,539,106         | 57,452,000         | 57,452,000         | 54,735,352         | 95.27%                         | 95.27%          |
|   |                    |                    |                    |                    |                                |                 |
| <b>Department of Energy (INEG)</b>        | 276,721            | -                  | -                  | -                  | 0.00%                          | 0.00%           |
|   |                    |                    |                    |                    |                                |                 |
| <b>Total Transfers and Grants</b>         | <b>203,683,107</b> | <b>242,018,000</b> | <b>242,018,000</b> | <b>237,136,547</b> | <b>97.98%</b>                  | <b>97.98%</b>   |



**COMMENT ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES****5.3. ASSET MANAGEMENT****Asset Management****TREATMENT OF THE LARGEST ASSETS ACQUIRED IN 2014/2015****ASSET 1**

| <b>Name of Asset</b> | <b>Specialized Vehicle</b>           |
|----------------------|--------------------------------------|
| Description          | Purchase of 09 ton Skip Loader Truck |
| Asset type           | Vehicle                              |
| Key staff involved   | Community Services                   |
| Staff responsible    | Community Services                   |
| Key Issues           | None                                 |

|             |              |
|-------------|--------------|
| Asset Value | 2014/2015    |
|             | 1,200,000.00 |

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Capital Implications                | Capital Expenditure of R1 200 000 |
| Future purpose of the Asset         | To Assist in Waste Collection     |
| Key Issues                          | None                              |
| Policy in place to manage the Asset | Asset Management Policy           |

**ASSET 2**

| <b>Name of Asset</b> | <b>Specialized Vehicle</b>           |
|----------------------|--------------------------------------|
| Description          | Purchase of 09 ton Skip Loader Truck |
| Asset type           | Vehicle                              |
| Key staff involved   | Community Services                   |
| Staff responsible    | Community Services                   |
| Key Issues           | None                                 |

|             |              |
|-------------|--------------|
| Asset Value | 2014/2015    |
|             | 1,290,000.00 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R1 290 000                               |
| Future purpose of the Asset         | To assist the community by collecting waste in the rubbish bins |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy   |

**ASSET 3**

| <b>Name of Asset</b> | <b>Specialized Vehicle</b> |
|----------------------|----------------------------|
| Description          | Purchase of 20 Skip Bins   |
| Asset type           | Loose Tools                |
| Key staff involved   | Community Services         |
| Staff responsible    | Community Services         |

|            |      |
|------------|------|
| Key Issues | None |
|------------|------|

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 489,500.00 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R 489 500                              |
| Future purpose of the Asset         | To Assist the community by throwing in waste in the skip bins |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy                                       |

#### **ASSET 4**

|                      |   |
|----------------------|---|
| <b>Name of Asset</b> | <b>Specialized Vehicle</b>                |
| Description          | Purchase of Caterpillar 140k Motor Grader |
| Asset type           | Vehicle                                   |
| Key staff involved   | Technical services                        |
| Staff responsible    | Technical services                        |
| Key Issues           | None                                      |

|             |              |
|-------------|--------------|
| Asset Value | 2014/2015    |
|             | 3,080,665.00 |

|                                     |  |
|-------------------------------------|--|
| Capital Implications                | Capital expenditure of R3 080 665  |
| Future purpose of the Asset         | To Assist the community by grading access roads to their respective homes and workplaces |
| Key Issues                          | None   |
| Policy in place to manage the Asset | Asset Management Policy  |

#### **ASSET 5**

|                      |                                       |
|----------------------|---------------------------------------|
| <b>Name of Asset</b> | <b>Specialized Vehicle</b>            |
| Description          | Purchase of four (4) Traffic vehicles |
| Asset type           | Vehicles                              |
| Key staff involved   | Community Services                    |
| Staff responsible    | Community Services                    |
| Key Issues           | None                                  |

|             |              |
|-------------|--------------|
| Asset Value | 2014/2015    |
| 4 Vehicles  | 1,700,000.00 |

|                                     |  |
|-------------------------------------|--|
| Capital Implications                | Capital expenditure of R1 700 000                        |
| Future purpose of the Asset         | To Assist the community by adhering to strict road rules |
| Key Issues                          | None   |
| Policy in place to manage the Asset | Asset Management Policy                                  |

#### **ASSET 6**

|                      |                           |
|----------------------|---------------------------|
| <b>Name of Asset</b> | <b>Passanger Vehicle</b>  |
| Description          | Purchase of 22 Seater Bus |

|                    |               |
|--------------------|---------------|
| Asset type         | Vehicle       |
| Key staff involved | All employees |
| Staff responsible  | All employees |
| Key Issues         | None          |

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 899,640.00 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R899 640   |
| Future purpose of the Asset         | To Assist all staff members with transport to different places performing their day to day duties |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy   |

## **ASSET 7**

|                      |  |
|----------------------|--|
| <b>Name of Asset</b> | <b>Delivery Vehicle</b>                            |
| Description          | Purchase of one single cab 4 x 4 bakkie and canopy |
| Asset type           | Vehicle  |
| Key staff involved   | All employees                                      |
| Staff responsible    | All employees                                      |
| Key Issues           | None   |

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 502,464.99 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R 502 464.99   |
| Future purpose of the Asset         | To Assist all staff members with transport to different places performing their day to day duties |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy   |

## **ASSET 8**

|                      |                           |
|----------------------|---------------------------|
| <b>Name of Asset</b> | <b>Mobile Structure</b>   |
| Description          | Purchase of mobile office |
| Asset type           | Building                  |
| Key staff involved   | Corporate Services        |
| Staff responsible    | Corporate Services        |
| Key Issues           |                           |

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 619,900.00 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R 619 900  |
| Future purpose of the Asset         | To Assist all staff members with transport to different places performing their day to day duties |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy   |

## **ASSET 9**

| <b>Name of Asset</b> | <b>Specialized Asset</b>   |
|----------------------|----------------------------|
| Description          | Purchase of Traffic Lights |
| Asset type           | Loose Tools                |
| Key staff involved   | Community Services         |
| Staff responsible    | Community Services         |
| Key Issues           | None                       |

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 149,532.45 |

|                                     |   |
|-------------------------------------|---|
| Capital Implications                | Capital expenditure of R 149 532.45                   |
| Future purpose of the Asset         | To Assist the community adhering to strict road rules |
| Key Issues                          | None  |
| Policy in place to manage the Asset | Asset Management Policy                               |

## **ASSET 10**

| <b>Name of Asset</b> | <b>Specialized Asset</b>  |
|----------------------|---------------------------|
| Description          | Provision of GIS Software |
| Asset type           | Computer Software         |
| Key staff involved   | All employees             |
| Staff responsible    | All employees             |
| Key Issues           | None                      |

|             |            |
|-------------|------------|
| Asset Value | 2014/2015  |
|             | 612,696.84 |

|                                     |  |
|-------------------------------------|--|
| Capital Implications                | Capital expenditure of R 612 696.84                    |
| Future purpose of the Asset         | To Assist staff members with competent software system |
| Key Issues                          | None   |
| Policy in place to manage the Asset | Asset Management Policy                                |

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

| <b>Ratio</b>                 | <b>Basis of calculation</b>   | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> |
|------------------------------|---|----------------|----------------|----------------|
| Liquidity current ratio      | Current assets/current liabilities                                    | 3.26           | 5.04           | 4.57           |
| Cost coverage                | Available cash + Investments/<br>Monthly fixed operations             | 2.09           | 1.84           | 0.68           |
| Service debtors to revenue   | Total outstanding service debtors/annual revenue for services         | 0.13           | 0.12           | 0.39           |
| Debt coverage                | Total operating grants/debt service payment due within financial year | 3.41           | 5.45           | 5.81           |
| Capital charges to operating | Interest and principal paid/operating expenditure                     | 0.001          | 0.001          | -              |

|                |  |      |       |       |
|----------------|--|------|-------|-------|
| Employee costs | Employee costs/Total revenue - capital revenue | 0.27 | 0.26  | 0.26  |
| Solvability    | Total Assets/Total Liabilities                 | 6.29 | 10.84 | 10.64 |

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5. CAPITAL EXPENDITURE

5.6. SOURCES OF FINANCE

5.7. CAPITAL SPENDING ON 5 LARGEST PROJECTS

5.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Refer to chapter 3 for a detailed overview on service delivery backlogs

## COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

5.9. CASH FLOW

| Figures in Rand | 2015 | 2014 |
|-----------------|------|------|
|-----------------|------|------|

### Cash Flows from operating activities

#### Receipts

|   |             |             |
|---|-------------|-------------|
| Property rates  | 8,425,156   | 1,585,421   |
| Cash received from consumers and other sources of revenue | 5,169,012   | 4,537,402   |
| Grants  | 232,147,034 | 185,805,840 |
| Interest income   | 8,119,268   | 20,044,669  |
|   | 253,860,470 | 211,973,332 |

#### Payments

|   |                    |                   |
|---|--------------------|-------------------|
| Employee costs                                    | -46,451,327        | -42,904,747       |
| Cash paid to suppliers and other related services | -78,666,451        | -66,050,896       |
| Interest paid                                     | -                  | -2,366            |
| Councilor's allowances                            | -17,529,038        | -16,688,275       |
|   | -142,646,816       | -125,646,284      |
| <b>Net cash flows from operating activities</b>   | <b>111,213,654</b> | <b>86,327,048</b> |

### Cash flows from investing activities

|   |                     |                    |
|---|---------------------|--------------------|
| Purchase of property, plant and equipment           | -128,615,110        | -83,208,535        |
| Proceeds from sale of property, plant and equipment | 6724                | 390150             |
| Purchase of other intangible assets                 | -189,825            | -1,121,188         |
| <b>Net cash flows from investing activities</b>     | <b>-128,798,211</b> | <b>-83,939,573</b> |

### Cash flows from financing activities

|   |                    |                    |
|---|--------------------|--------------------|
| Finance lease payments                                      | -                  | -80,649            |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>-17,584,557</b> | <b>2,387,475</b>   |
| Cash and cash equivalents at the beginning of the year      | 129,701,971        | 127,395,145        |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>112,117,414</b> | <b>129,782,620</b> |

#### 5.10. BORROWING AND INVESTMENTS

The Municipality does not have any interest bearing borrowings and there were no long term investments made during the year under review.

#### 5.11. PUBLIC PRIVATE PARTNERSHIPS

The Municipality has not entered into any Public Private Partnership during the period under review.

### **COMPONENT D: OTHER FINANCIAL MATTERS**

#### 5.12. SUPPLY CHAIN MANAGEMENT

The Municipality has established a functional Supply Chain Management Unit which is implementing the Supply Chain Management Regulations and Policy without fear or favour. The unit has 6 officials who have met the National Treasury Competency Agreements. The Municipality is implementing a 3 committee bid system of which no councillors are allowed to sit on. All committee members have been vetted.

#### 5.13. GRAP COMPLIANCE

Makhuduthamaga Local Municipality has converted to the Generally Recognized Accounting Principles (GRAP). At least more than 30 GRAP standards are used to prepare the Annual Financial Statements. The Municipality's asset register is GRAP compliant.

# CHAPTER 6

## AUDITOR GENERAL'S REPORT AND FINANCIAL STATEMENTS

## **COMPONENT A: AUDITOR GENERAL`S OPINION OF FINANCIAL STATEMENTS**

### **6.1. AUDITOR GENERAL`S REPORT**

- Annexure C: AG`s report 2014/15
  - Annexure D: Annual Financial Statements 2014/15
-



## ACRONYMS

| BUDGET & TREASURY  |  | COMMUNITY SERVICES              |   |
|--------------------|--|---------------------------------|---|
| ACCPAC             | Financial System   | DLTC                            | Drivers And Learner Testing Centre                  |
| AG                 | Auditor General  |                                 |   |
| CFO                | Chief Financial Officer  |                                 |   |
| DORA               | Division Of Revenue Act  |                                 |   |
| ES                 | Equitable Shares   |                                 |   |
| FMG                | Financial Management Grant                                       |                                 |   |
| GRAP               | Generally Recognised Accounting Principles                       |                                 |   |
| MIG                | Municipal Infrastructure Grant                                   |                                 |   |
| MSIG               |  |                                 |   |
| PH                 |  |                                 |   |
| CORPORATE SERVICES |  | ECONOMIC DEVELOPMENT & PLANNING |   |
| HIV/AIDS           | Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome | SMME                            | Small Micro Medium Enterprise                       |
| HRD                | Human Resource Development                                       | IDP                             | Integrated Development Plan                         |
| HRM                | Human Resource Management  | LEDA                            | Limpopo Economic Development Agency                 |
| HR                 | Human Resource   | LED                             | Local Economic Development                          |
| LRA                | Labour Relations Act   | SEDA                            | Small Enterprise Development Agency                 |
| LLF                | Local Labour Forum   | KPA                             | Key Performance Area                                |
| OHS                | Occupational Health and Safety                                   | LEDET                           | Limpopo Economic Development, Environment & Tourism |
| TVET               | Technical Vocational Education And Training                      | IGF                             |   |
| IT                 | Information Technology   | EPWP                            | Extended Public Works Program                       |
| SMU                |  | LUMS                            |   |
| MBCHB              | Bachelor Medicine & Bachelor Of Surgery                          | GIS                             | Global Information System                           |
| WITS               | Witwatersrand University   | PMU                             | Project Management Unit                             |
| CPU                | University of Cape Town  | PMS                             | Performance Management System                       |
| UKZN               | University of Kwa-Zulu Natal                                     | APOPO                           |   |
| TUT                | Tshwane University Technology                                    | SDBIP                           | Service Delivery & Budget Implementation Plan       |
| UP                 | University of Pretoria   |                                 |   |
| WSP                | Workplace Skills Plan  |                                 |   |
| ICT                | Information And Communication Technology                         |                                 |   |
| VPN                | Virtual Private Network  |                                 |   |
| LAN                | Local Area Network   |                                 |   |
| INTRANET           | Internal network   |                                 |   |
| NQF                | National Qualification Framework                                 |                                 |   |
| SOMA               | State of the Municipality Address                                |                                 |   |
| SMS                | Short Messaging Services   |                                 |   |
| EEP                | Employment Equity Plan   |                                 |   |
| VIP                | Pay roll System  |                                 |   |
| ESS                | Employee Self Service System                                     |                                 |   |
| AFS                | Annual Financial Statement                                       |                                 |   |

|                                   |                                     |                 |  |
|-----------------------------------|-------------------------------------|-----------------|--|
| <b>SCM</b>                        | Supply Chain Management             |                 |  |
| <b>SITA</b>                       | State Information Technology Agency |                 |  |
| <b>SDF</b>                        | Skills Development Facilitator      |                 |  |
| <b>CCTV</b>                       | Closed Circuit Television           |                 |  |
| <b>INFRASTRUCTURE DEVELOPMENT</b> |                                     | <b>GENERAL</b>  |  |
| <b>IWMP</b>                       |                                     | <b>LGSETA</b>   | Local Government seta                      |
| <b>ESKOM</b>                      | Electricity Supply Commission       | <b>COGHST A</b> |  |
| <b>WIP</b>                        | Work In Progress                    | <b>MPAC</b>     | Municipal Public Accounts Committee        |
| <b>FBE</b>                        | Free Basic Electricity              | <b>MLM</b>      | Makhuduthamaga Local Municipality          |
| <b>PTO</b>                        |                                     | <b>MOU</b>      | Memorandum of Understanding                |
| <b>DRDLR</b>                      |                                     | <b>SA</b>       | SOUTH AFRICA                               |
|                                   |                                     | <b>N/A</b>      | Not applicable                             |
|                                   |                                     | <b>MNGT</b>     | Management                                 |
|                                   |                                     | <b>MM</b>       | Municipal Manager                          |
|                                   |                                     | <b>AGSA</b>     | Auditor General of South Africa            |
|                                   |                                     | <b>MFMA</b>     | Municipal Financial Management Act         |
|                                   |                                     | <b>NT/PT</b>    | National Treasury/ Provincial Treasury     |
|                                   |                                     | <b>SALGA</b>    | South African Local Government Association |
|                                   |                                     | <b>MSA</b>      | Municipal System Act                       |
|                                   |                                     | <b>CLLR</b>     | Councilor                                  |
|                                   |                                     | <b>ANC</b>      | African National Congress                  |
|                                   |                                     | <b>COPE</b>     | Congress of the People                     |
|                                   |                                     | <b>AZAPO</b>    | Azanian Peoples Party                      |
|                                   |                                     | <b>DA</b>       | Democratic Alliance                        |
|                                   |                                     | <b>APC</b>      |  |
|                                   |                                     | <b>SAMEPA</b>   |  |
|                                   |                                     | <b>HOD</b>      | Head of Department                         |
|                                   |                                     | <b>SLA</b>      | Service Level Agreement                    |