



# MAKHUDUTHAMAGA

---

## LOCAL MUNICIPALITY

*Mmogo re šomela diphetogo!*

### DRAFT 2016/17 ANNUAL REPORT

NOTED BY COUNCIL ON THE 31<sup>ST</sup> JANUARY 2018



## TABLE OF CONTENTS

NO	DESCRIPTION	PAGE NO
<b>Chapter 1:Component A :Mayor foreword and executive summary</b>		<b>3</b>
1.1	Mayor 's foreword	<b>3</b>
2.	Executive Summary	<b>7</b>
2.1	Municipal Manager's overview	<b>7</b>
2.2	Municipal population, function and environmental overview	<b>8</b>
2.3	Service delivery overview	<b>10</b>
2.4	Financial Health overview	<b>12</b>
2.5	Organisational overview	<b>13</b>
2.6	Auditor general report	<b>15</b>
2.7	Statutory annual report process	<b>16</b>
<b>Chapter 2 :Governance</b>		<b>17</b>
2.1	Political governance	<b>17</b>
2.2	Administrative governance	<b>20</b>
2.3	Intergovernmental relations	<b>20</b>
2.4	Public meeting	<b>21</b>
2.5	IDP participation and alignment	<b>22</b>
2.6	Risk management	<b>23</b>
2.7	Anti-corruption and fraud	<b>26</b>
2.8	Supply chain management	<b>29</b>
2.9	By-laws	<b>30</b>
2.10	Municipal website	<b>30</b>
2.11	Public satisfaction on municipal services	<b>31</b>
<b>Chapter 3:Service delivery</b>		<b>31</b>
3.1	Electricity	<b>31</b>
3.2	FBS and indigent support	<b>33</b>
3.3	Roads, bridges and storm water	<b>33</b>
3.4	MIG expenditure	<b>36</b>
3.5	Waste management	<b>36</b>



3.6	Community and social services	<b>40</b>
3.7	Planning and development	<b>44</b>
3.8	LED	<b>47</b>
3.9	Service provider performance	<b>48</b>
<b>Chapter 4 :Organisational development performance</b>		<b>57</b>
<b>Chapter 5:Financial performance</b>		<b>70</b>
<b>Chapter 6:Auditor General report and financial statements</b>		<b>71</b>



## CHAPTER 1

### 1. MAYOR'S FOREWORD

The Local Government: Municipal Finance Management Act 56 of 2003 requires municipalities to prepare annual report for each financial year. The 2016/17 municipal financial year commenced on the 1st July 2016 and ended on the 30th June 2017. It is my privilege to present the 2016/17 Draft Annual Report of Makhuduthamaga Municipality to the community of Makhuduthamaga and all its stakeholders

The new five year term of local government provides an opportunity for Makhuduthamaga Municipality to review the previous term's performance and improve the performance.

During the 2016/17 financial year Makhuduthamaga Municipality made good progress in fulfilling its constitutional obligations of delivering basic services to the communities guided by its vision of being the **“a catalyst of integrated community driven service delivery”**

The 2016/17 Draft Annual Report presents a picture of the developmental status quo of services delivery and highlights areas of successes and areas that needs continuous improvements

#### **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 2015/2016 financial year. The Municipality committed itself to the principles of hard work and improved service delivery to take us forward into the future. Makhuduthamaga Municipality managed to obtain unqualified audit opinions (with matters) during the 2014/2015 ,2015/2016 and 2016/17 which makes it three 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.



## Key Service Delivery Improvements *Mmogo re šomela dipheto go!*

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

1. Construction of access road from Malegale to Madibaneng (Multi year) (6km)
2. Construction of Rietfontein to Eensaam Access Road ( Multi year) (5,5km)
3. Construction of Thabampshe Cross to Tswaing Access Road ( Multi year) (7km)
4. Construction of Access road from R579 to Mashishing Main Reservoir (2.1km)
5. Construction of access road to Maila-Mapitsane Tribal office -Phase 04(Multiyear(2.4km)
6. Rehabilitation of R579 Road (Multi year)(2,1km)
7. Construction of 25 speed humps on completed projects
8. Construction of Stormwater control at Nebo Maserumole Park Road
9. Construction of Stormwater control at Nebo Rietfontein Road
10. Construction of access road to Mashupye village (2km)
11. Construction of access road from Maloma Tribal Office to Tsopaneng graveyard (1,3km)
12. Electrification of households at Riverside/Lehwelere, Hlalanikahle and Mokgapaneng

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

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

### 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) process and review of policies. The Office of the Speaker facilitated the training of all 310 Ward Committee members; Ward Committees enhances a more effective communication between the Council, community 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 23-24 June 2016 in Polokwane.



## Future Actions

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

## 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 which provided training on project management. The 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 municipality and communities.

## 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 2017- 2018. In terms of our Vision, the Municipality wants to thank the community of Makhuduthamaga as well as all other stakeholders for their will to participate in the affairs of the Municipality. We appeal to all our stakeholders to continue to do so, by joining hands with the Municipality in an effort to make Makhuduthamaga **"A catalyst of integrated community driven service delivery"**

## Comparison of the two financial years 2015/2016 and 2016/17

### 1<sup>st</sup> YEAR (2015/16)

KPA	TARGET S PLANNE D	TARGET S ACHIEV ED	TARGET S NOT ACHIEV ED	% ACHIEV ED
KPA 1: Spatial Rationale	07	02	05	29%
KPA 2: Basic Services and Infrastructure	34	32	02	80%
KPA 3: Local Economic Development	07	05	02	71%
KPA 4: Financial Viability	22	17	05	77%
KPA 5: Good Governance and Public Participation	19	11	08	56%
KPA 6: Municipal Transformation	14	10	04	71%
<b>Total</b>	<b>103</b>	<b>77</b>	<b>26</b>	<b>75%</b>

**2<sup>nd</sup> Year (2016/17)**

KPA 1: Spatial Rationale	No. of Annual targets	No. of targets attained	No. of targets not attained	Achievement %
KPA 2: Basic Services and Infrastructure	8	3	5	38
KPA 3: Local Economic Development	43	27	16	63
KPA 4: Financial Viability	14	2	12	14
KPA 5: Good Governance and Public Participation	23	21	2	91
KPA 6: Municipal Transformation	27	18	9	66
KPA 1: Spatial Rationale	28	25	3	89
KPA 2: Basic Services and Infrastructure	<b>143</b>	<b>96</b>	<b>47</b>	<b>67</b>

Although the Municipality regressed on its performance from 77% in 2014/2015 financial year to 75% in the 2015/2016 financial year, the quality of services was not affected due to greater commitment and effort by all involved, as it is also demonstrated 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 (Maitula B.M)**



## 2. EXECUTIVE SUMMARY

### 2.1. Municipal Manager's overview

As the Acting Municipal Manager of Makhuduthamaga Local Municipality, I am honored to present the Draft Annual Report for 2016/17 financial year. The Annual Report was prepared in accordance with the provisions of the Local Government Municipal Systems Act 32 of 2000 Section 46, the Local Government Municipal Finance Management Act 56 of 2003 Section 121, the National Treasury MFMA Circular No.11 and the Guide to Municipal Annual Reports issued by National Treasury in 2012 which provides guidance and a template on the preparation of the Annual reports of municipalities.

The purpose of this Annual report, is to account to provide record of the activities of the municipality during 2016/17 and the comparative prior years in accordance with section 46 (1) to (4) of the Municipal Systems Act 32 of 2000 and Section 121 of the Municipal Finance Management Act 56 of 2003. The report outlines the municipality's performance compared to the approved annual budget and annual service delivery targets as set out in the municipality's Integrated Development Plan and Service Delivery and Budget Implementation Plan for 2016/17. The report further includes the audited Annual Financial Statements for 2016/17 and the Auditor General South Africa's audit report for 2016/17.

During the year under review (2016/17) when comparing to the previous financial year (2015/16), the municipality has achieved improvements in a number of areas despite the challenges of high rate of vacancy in the senior management due to the municipality's inability to attract suitable candidates for the position of Senior Manager Economic Development and Planning Services and that of Senior Manager Community Services.

The municipality has in the year under review ensured that there is an alignment of services to the IDP indicators and council priorities. The municipality had a total of **147** service delivery targets for 2016/17 financial year and managed to achieve **96** of the set targets which amounts to **67 per cent** overall municipal performance. The following table summarizes the performance per KPA:

Key Performance Area	Department	No. of Annual targets	No. of targets attained	No. of targets not attained	Achievement %
KPA 1 (Spatial Rationale)	Economic Development and Planning	8	3	5	38
KPA 2 (Basic Service Delivery)	Infrastructure Development and Community Services	43	27	16	63
KPA 3 (Local Economic Development)	Economic Development and Planning	14	2	12	14
KPA 4 (Financial Viability)	Budget and Treasury Office	23	21	2	91





KPA 5 (Good Governance and Public Participation)	Corporate Services and Executive Support	27	18	9	66
KPA 6 (Municipal Transformation and Organisational Development)	Municipal Manager's Office	28	25	3	89
<b>Total</b>		<b>143</b>	<b>96</b>	<b>47</b>	<b>67</b>

The Municipality's maintained a good financial health during the year under review. The financial ratios as presented in chapter 5 of this report shows that the municipality's financial status is still in a good condition. It is however noted with concern that the municipality provided a huge amount for doubtful debts during the year under review and the prior year resulting from poor revenue collection mainly from Property Rates which is a challenge to the municipality. The rural nature of the municipality and the non payment of property rates by other government departments for their properties within the municipal jurisdictions contributes to the poor collection of revenue and hence the high provision for doubtful debts.

The municipality has once again during the year under review received an unqualified Audit opinion from the Auditor General South Africa. The municipal council has appointed and strengthened the necessary governance structures such as Audit Committee, MPAC and other management and council committees to ensure that a better audit outcome is achieved in the next financial year 2017/18 for both Financial Statements and the Performance information.

The municipality reviewed all Budget related policies and HR policies during the year under review to keep them up to date considering the changes in the applicable legislation and new regulations issued.

## 2.2 Municipal population, functions and environmental overview

- Makhuduthamaga Municipality is a category B Municipality located within Sekhukhune District Municipality of 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 1 169 762. The Municipality is characterized by a weak economic base, poor infrastructure, major service delivery backlogs, dispersed human settlements and high poverty levels and poor revenue base.
- Makhuduthamaga is one of the four municipalities within Sekhukhune District. The Municipality comprises of rural settlements. There are 31 wards and 62 Councillors and 10 Magoshi serving as ex-offios.

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

Functions	Description of function performed
1. Building regulations	Enforcing the national building regulations
2. Child care facilities	
3. Local tourism	To provide LED support and tourism enhancement support



4.Municipal Planning	Forward planning. Land use control. Policy development.Environmental.GIS
5.Municipal Public transport	Provide traffic control and licensing
6.Storm water	Provide storm water system
7.Trading regulations	Regulate trading with support from LEDET
8.Billboards and the display of advertisements in public places	Regulation,control,and display of advertisement and billboards
9.Cemetries,funeral parlours and crematoria	Control
10.Cleansing	Sweeping streets, picking litter, and emptying of street bins
11.Control of public nuisance	Control of public nuisance and inspection thereof issuing of notices
12. Facilities for the accommodation, care and burial of animals	Compliance
13. Fencing	
14.Licencing of dogs	
15.Licencing and control of undertakings that sell food to the public	Quality control. Safety and hygiene regulations
16. Local amenities	
17. Local sports facilities	Maintaining and provision of stadia
18. Markets	
19. Municipal abattoirs	
20. Municipal parks and recreation	Recreational areas for local communities
21.Municipal roads	Maintenance of roads, upgrading roads from gravel to tar
22.Noise pollution	Control of noise pollution
23.Pounds	
24. Public places	
25. Refuse removal, refuse disposal sites and Solid waste disposal	Waste collection. Waste disposed at the landfill



26. Street trading	Regulate and control
27. Street lighting	Provide and maintain
28. Vehicle licensing and registration	Provide
29. Learners and Drivers licensing	Provide
30. Disaster Management	Provide

### Population by functional age group and sex – 1996, 2001 and 2011

MLM	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-14	60 534	60 747	121 282	54 700	55 093	109 793	52 967	51 500	104 466
15-64	51 085	77 981	129 065	53 332	81 167	134 499	61 579	86 385	147 964
65+	5 108	10 234	15 342	5 582	12 132	17 714	6 737	15 191	21 928
<b>Total</b>	<b>116 727</b>	<b>148 962</b>	<b>265 689</b>	<b>113 614</b>	<b>148 392</b>	<b>262 005</b>	<b>121 283</b>	<b>153 076</b>	<b>274 358</b>

### Natural resources

Major Natural Resources	Relevance to community
Agriculture	Wheat and Maize –Olifants river scheme Sorghum-Tshehlwaneng and Jane Furse areas.
Tourism	Hlako Tisane, Manche Masemola route, etc Municipality participated in the International tourism Indaba held at Durban and had its own stall that showcased tourism opportunities.

### 2.3 Service delivery overview

The Municipality built quality and safe road infrastructure and electricity network in its communities. Water and sanitation are provided by Sekhukhune District Municipality, whilst electricity is provided by Eskom.

#### The backlog on services

##### a. Water

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

##### b. Sanitation

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



### c. Electricity

*Mmogo re šomela dipheto go!*

Households	Backlog
65 217	9 901

### d. Waste management

On this function, the Municipality has taken a full responsibility and performs a partial formal refuse removal service that was started as a pilot project by LEDET. The project uses skip bins placed at several points along developmental nodes, namely: Phokoane, Glen Cowie, Riverside, Jane Furse, Tshehlwaneng, Schoonoord, and Ga-Masemola. The municipality also extended services to other areas, namely: Hlalanikahle, Moratiwa Shopping Complex, Vleeschboom, Malegale, Apel Cross, Setlaboswane, Ga-Maila-Segolo, Marulaneng, and Ga-Maila-Mapitsane.

There is a permitted land fill site in Jane Furse for which a MoU is signed with the Sekhukhune District Municipality to use the landfill site officially. 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 appointed a service provider to assist the Municipality with waste management at the landfill site, and with environmental awareness. The project has appointed 16 personnel through the programme called "Youth Jobs in Waste".

Most residents create unauthorised waste disposal sites, presenting challenges to the Municipality. These sites are located within private households or properties, and on the outskirts of some villages. To date, one (1) waste compactor truck, three (3) skip loaders, and fifty-five (55) skip bins are purchased and used. Two (2) wards (29 & 30), have recycling projects. Thirty (30) concrete waste bins were erected in the Jane Furse area. The refuse removal picture for households is as follows:

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
<b>Grand Total</b>	<b>65 217</b>

### (e) Roads

Kutupu Road and Stormwater	R1 399 252.77
Rietfontein 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 /Dichoeung road link	R5 500 000.00
Construction of Makhutso Access Bridge	R4 700 000.00
Vierfontein to Rietfontein Link Road	R5 869 613.59
Rietfontein 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	R3 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 Seopela 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 Mashegwana/Legare/Tswaledi tribal offices PH1 (1.2km)	R2 000 000.00
Design and Construction of access road to Mashegwana/Legare/Tswaledi tribal offices PH2 (1.2km)	R5 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

#### (f) MIG Expenditures

The percentage of MIG Expenditure for 2016/17 is 100%.

#### 2.4 FINANCIAL HEALTH OVERVIEW FOR 2016/17

FINANCIAL OVERVIEW – 2016/2017			
Details	Original Budget	Adjustment Budget	Actual
Income	15,504,711.16	22,260,531.36	25,964,581.00
Grants	215,310,000.00	234,602,236.03	03,683,107.00
Taxes, levies and tariffs	28,813,348.56	32,378,458.70	43,986,731.00
Other	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>
Less Expenditure	(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

Operating Ratios	
Detail	%
Employee Costs	30.73
Repairs & maintenance	20.64



Finance charges and Depreciation	6.94
----------------------------------	------

## 2.5. Organisational development overview

### (a) Human Resources Overview

	2015/16	2016/17
Total posts on the organogram	190	184
Total number of employees	127	135
Total number of vacancies	60	49
Number of terminations	05	05
Number of retirements	01	00
Resignations	01	02
Death	01	01
Contract ended	0	02
Retention/Promotions	0	0

### ( b ) Approved and reviewed policies

NO.	POLICY NAME	Approved	Reviewed	Resolution Number
1	HRM.1. Attendance and Punctuality Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
2	HRM.2. Employment Equity Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
3	HRM.3. Recruitment Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.
4	HRM.4. HIV/AIDS Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.
5	HRM.5. Incapacity due till health/injury Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.
6	HRM.6. Incapacity due to Poor Work Performance Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
7	HRD.1. Internal Bursary Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
8	HRM.7. Employees under the influence of Intoxicating Substances Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
9	LRA.1. Legal Aid Policy	Yes	Yes	No. 51 of 2016/17 Financial Year





10	HRM.8. Occupational Health and Safety Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
11	HRM.9. Private Work and Declaration of Interest/s Policy	NO	Yes	N/A
12	HRM.10. Relocation Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
13	HRM.11. Sexual Harassment Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
14	HRM.12. Smoking Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
15	HRM.13. Succession Planning Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
16	HRD.2. Training and Development Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
17	HRM.14. Travelling and Subsistence Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
18	HRM. Salary Administration Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
19	HRM. Leave Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
20	HRM. Dress Code Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
21	External Bursary Policy	Yes	Yes	No. 51 of 2016/17 Financial Year

**(c) 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
- Wellness Committee

**(d) Makhuduthamaga Local Municipality Bursary holders**

No	Name	Gender	Institution	Degree	Year	Annual Fees
1	Mr Mamogobo JM	Male	SMU	MBCHB	5 <sup>th</sup>	R88 216.00
2	Ms Malaka AM	Female	SMU	MBCHB	2 <sup>nd</sup>	R75 033.08
3	Ms Madingwane EM	Female	SMU	MBCHB	6 <sup>th</sup>	R78 076.00
4	Mr Masemola KJ	Male	UKZN	Mechanical Engineering	2 <sup>nd</sup>	R97 564.00
5	Ms Choeu MC	Female	UKZN	MBCHB	2 <sup>nd</sup>	R107 490.00
6	Mr Senong MS	Male	SMU	MBCHB	3 <sup>rd</sup>	R68 039
7	Mr Ramogayana SK	Male	UCT	MBCHB	2 <sup>nd</sup>	R151 915.08



8	Mr Dikotope JM	Male	UP	BSc Chemical Engineering	3 <sup>rd</sup>	R58 815.85
9	Mr Motubatse	Male	WITS	MBCHB	2 <sup>nd</sup>	R110 734.48
10	Ms Ramushu SJ	Female	WITS	B Com Accounting	2 <sup>nd</sup>	R51 339.00
11	Ms Malatsi M	Female	WITS	B Com Accounting	2 <sup>nd</sup>	R112 929.53

### (e) Workplace skills plan (WSP)

#### 1. Introductions

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.

#### 2. Comment on skills development and related expenditure

The Municipality was able to prepare and submit Workplace Skills Plan for 2016/17 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:

- 33% of Councillors' training through workshops and training sessions
- 33% of Employees' training
- 55% of Ward Committees' training
- Budget spend was R2 153 318, being 88% of allocation (R3 400 000). Variance was because of delayed SCM processes. Training Committee was not appointed for this year and thus the gaps experienced in nominations of candidates for training

#### 3. MFMA competency requirements

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 4
- Others

However the total number of people who have been trained in line with the minimum MFMA competency regulations requirements are thirty four (34).

#### 2.6. Auditor general report

The Municipality obtained an unqualified audit opinion for 2016/17 and the prior year 2015/16.



**2.7. Statutory annual report process.**

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	March
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

**MATLALA MK**  
**ACTING MUNICIPAL MANAGER**

**CHAPTER 2: GOVERNANCE****POLITICAL AND ADMINISTRATIVE GOVERNANCE****2.1. Political Governance**

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998, Makhuduthamaga Municipality has an established political component. The political component comprises of the Speaker, Chiefwip, Mayor and Councillors. The main role of the political component is provided for in the Structures Act. Council is responsible for policy making and oversees its implementation. Its key role in its current structure is to focus on legislative, participatory and oversight roles.

The Mayor is the political head championing the strategy of the municipality. The Mayor is assisted by the Executive Committee made up to 10 councillors of which three are full time councillors. The Executive Committee is responsible for individual portfolios and report directly to the Mayor. There are also Section 80 & 79 committees that process all the issues before they go to Council.

**Councillors**

Councillors are members of the council; the municipal had functional council meetings. Council adopted the Corporate Calendar which specified dates for council meetings. The meetings were held as per the schedule. Executive Committee meetings and Portfolio Committee meetings were included in the Corporate Calendar and they were convened and held as per the schedule. There were 61 councillors who served as council members during the 2016/17 financial year from 1<sup>st</sup> July to 3<sup>rd</sup> August 2016 where 31 were Ward Councillors and 30 Proportional Representatives Councillors

Below is a table that categorised the Councillors within their specific political parties and wards for the 2016/2017 financial year from 1<sup>st</sup> July to 3<sup>rd</sup> August 2016.

No	Name of Councillor	Initials	Gender	Capacity (Ward / Proportional)	Political Party
1	Cllr. Mohlala	MJ	M	Ward Councillor -1	ANC
2	Cllr. Boshielo	TJ	M	Ward Councillor - 2	ANC
3	Cllr. Leshalabe	MM	F	Ward Councillor -3	ANC
4	Cllr. Mabitla	P	M	Ward Councillor -4	ANC
5	Cllr. Mankge	NH	M	Ward Councillor -5	ANC
6	Cllr. Thokwane	KZ	M	Ward Councillor -6	ANC
7	Cllr. Mapitsing	TJ	M	Ward Councillor -7	ANC
8	Cllr. Malaka	MJ	M	Ward Councillor -8	ANC
9	Cllr. Maphanga	TD	M	Ward Councillor -9	ANC
10	Cllr. Nkadimeng	E	F	Ward Councillor -10	ANC
11	Cllr. Chego	KD	M	Ward Councillor -11	ANC
12	Cllr. Rankoe	TP	M	Ward Councillor -12	ANC
13	Cllr. Mohloba	SJ	F	Ward Councillor -13	ANC
14	Cllr. Tshehla	NB	M	Ward Councillor -14	ANC
15	Cllr. Mashilo	MM	F	Ward Councillor -15	ANC



No	Name of Councillor	Initials	Gender	Capacity (Ward / Proportional)	Political Party
16	Cllr. Seopela	MJ	M	Ward Councillor -16	ANC
17	Cllr. Nkadimeng	SP	F	Ward Councillor -17	ANC
18	Cllr. Mashigo	NL	F	Ward Councillor -18	ANC
19	Cllr. Mabatane	MK	M	Ward Councillor -19	ANC
20	Cllr. Manaleng	MJ	F	Ward Councillor -20	ANC
21	Cllr. Maapea	SR	M	Ward Councillor -21	ANC
22	Cllr. Selala	MJ	M	Ward Councillor -22	ANC
23	Cllr. Ntobeng	MM	M	Ward Councillor -23	ANC
24	Cllr. Manchidi	MJ	M	Ward Councillor -24	ANC
25	Cllr. Diketane	SP	M	Ward Councillor -25	ANC
26	Cllr. Lethuba	MP	M	Ward Councillor -26	ANC
27	Cllr. Diale	KE	F	Ward Councillor -27	ANC
28	Cllr. Marutle	PJ	M	Ward Councillor -28	ANC
29	Cllr. Mosehla	ML	F	Ward Councillor -29	ANC
30	Cllr. Boshielo	ML	F	Ward Councillor -30	ANC
31	Cllr. Sefoka	MN	M	Ward Councillor -31	ANC
32	Cllr. Nkadimeng	SM	F	Proportional	ANC
33	Cllr Matlala	MA	M	Proportional	ANC
34	Cllr Mahlase	MM	F	Proportional	ANC
35	Cllr Monakedi	MJ	M	Proportional	ANC
36	Cllr Maisela	KR	F	Proportional	ANC
37	Cllr Phogole	MI	M	Proportional	ANC
38	Cllr Maserumule	MO	F	Proportional	ANC
39	Cllr Matjomane	NM	M	Proportional	ANC
40	Cllr Makgoga	NH	F	Proportional	ANC
41	Cllr Malaka	MS	M	Proportional	ANC
42	Cllr Mndebele	ME	F	Proportional	ANC
43	Cllr Mampana	MA	M	Proportional	ANC
44	Cllr Maleka	BP	F	Proportional	ANC
45	Cllr Masemola	RH	M	Proportional	ANC
46	Cllr Maitula	MB	F	Proportional	ANC
47	Cllr Mamogobo	TP	M	Proportional	ANC
48	Cllr Makaleng	MM	F	Proportional	ANC
49	Cllr Masemola	J	F	Proportional	ANC
50	Cllr Lerobane	MP	F	Proportional	ANC
51	Cllr Tala	MA	M	Proportional	ANC
52	Cllr Kgaphola	MG	M	Proportional	ANC
53	Cllr Madiba	MF	M	Proportional	COPE
54	Cllr Mohlala	MG	M	Proportional	COPE
55	Cllr Maabane	DK	M	Proportional	COPE
56	Cllr Madingwana	R	M	Proportional	AZAPO
57	Cllr Thokoane	MJ	M	Proportional	AZAPO
58	Cllr Matsekoleng	NJ	M	Proportional	DA
59	Cllr Manchidi	MM	M	Proportional	PAC
60	Cllr Tladi	MR	F	Proportional	APC
61	Cllr Machaba	MG	M	Proportional	SAMEP A
<b>Total Male</b>			<b>39</b>		
<b>Total Female</b>			<b>22</b>		



After the 3<sup>rd</sup> August 2016 Local Government Elections, 62 councilors were elected, comprising of 31 Ward Councilors and 31 PR Councilors. These councilors served during the 2016/17 financial year from August to 30<sup>th</sup> June 2017.

No.	Surname	Initials	Gender	Capacity	Political Party	Ward / Proportional
1	Mamushi	F	M	Ward Councillor -1	ANC	Ward
2	Shikoane	ML	M	Ward Councillor - 2	ANC	Ward
3	Leshalabe	MM	F	Ward Councillor -3	ANC	Ward
4	Nkgadima	MR	F	Ward Councillor -4	ANC	Ward
5	Ranala	ST	F	Ward Councillor -5	ANC	Ward
6	Thokwane	KZ	M	Ward Councillor -6	ANC	Ward
7	Mapitsing	TJ	M	Ward Councillor -7	ANC	Ward
8	Morodi	PE	M	Ward Councillor -8	ANC	Ward
9	Maitjie	CD	F	Ward Councillor -9	ANC	Ward
10	Madihlaba	MG	M	Ward Councillor -10	ANC	Ward
11	Maredi	HM	F	Ward Councillor -11	ANC	Ward
12	Rankoe	TP	M	Ward Councillor -12	ANC	Ward
13	Mogashoa	NA	M	Ward Councillor -13	ANC	Ward
14	Maloma	DR	F	Ward Councillor -14	ANC	Ward
15	Maduane	KA	M	Ward Councillor -15	ANC	Ward
16	Makuwa	SS	M	Ward Councillor -16	ANC	Ward
17	Marabele	KO	F	Ward Councillor -17	ANC	Ward
18	Motseni	NL	F	Ward Councillor -18	ANC	Ward
19	Seboane	TM	F	Ward Councillor -19	ANC	Ward
20	Mothogwane	D	F	Ward Councillor -20	ANC	Ward
21	Mabatane	MC	M	Ward Councillor -21	ANC	Ward
22	Komane	ML	F	Ward Councillor -22	ANC	Ward
23	Maila	MJ	M	Ward Councillor -23	ANC	Ward
24	Matsageng	DB	F	Ward Councillor -24	ANC	Ward
25	Diketane	SP	M	Ward Councillor -25	ANC	Ward



No.	Surname	Initials	Gender	Capacity	Political Party	Ward / Proportional
26	Mahlase	MM	F	Ward Councillor -26	ANC	Ward
27	Masemola	MS	M	Ward Councillor -27	ANC	Ward
28	Mosoane	EM	M	Ward Councillor -28	ANC	Ward
29	Maleka	KJ	M	Ward Councillor -29	ANC	Ward
30	Dolamo	MF	F	Ward Councillor -30	ANC	Ward
31	Matseding	ML	F	Ward Councillor -31	ANC	Ward
32	Bahula	BM	F	Mayor	ANC	Proportional
33	Tala	MA	M	Speaker	ANC	Proportional
34	Chego	DK	M	Chief whip	ANC	Proportional
35	Maisela	KR	F	PR Councillor	ANC	Proportional
36	Mankge	HN	M	PR Councillor	ANC	Proportional
37	Lerobane	MP	F	PR Councillor	ANC	Proportional
38	Phala	M	F	PR Councillor	ANC	Proportional
39	Malaka	MS	M	PR Councillor	ANC	Proportional
40	Mokomane	ML	F	PR Councillor	ANC	Proportional
41	Matjomane	NM	M	PR Councillor	ANC	Proportional
42	Diale	KP	F	PR Councillor	ANC	Proportional
43	Mohlala	MJ	M	PR Councillor	ANC	Proportional
44	Mathume	MR	F	PR Councillor	APSP	Proportional
45	Thokoane	MJ	M	PR Councillor	AZAPO	Proportional
46	Mapheto	MT	M	PR Councillor	DA	Proportional
47	Diale	MH	F	PR Councillor	DA	Proportional
48	Monakedi	AL	M	PR Councillor	EFF	Proportional
49	Nkadimeng	LR	F	PR Councillor	EFF	Proportional
50	Thamaga	MR	M	PR Councillor	EFF	Proportional
51	Leshaba	TR	F	PR Councillor	EFF	Proportional
52	Madutlela	KK	M	PR Councillor	EFF	Proportional
53	Magashula	ME	F	PR Councillor	EFF	Proportional
54	Maloma	PT	M	PR Councillor	EFF	Proportional



No.	Surname	Initials	Gender	Capacity	Political Party	Ward / Proportional
55	Sebesho	MS	F	PR Councillor	EFF	Proportional
56	Phala	MM	F	PR Councillor	EFF	Proportional
57	Shongwe	BE	M	PR Councillor	EFF	Proportional
58	Mashifane	GM	F	PR Councillor	EFF	Proportional
59	Phasha	LP	F	PR Councillor	EFF	Proportional
60	Sekwati	KD	F	PR Councillor	EFF	Proportional
61	Moganedi	BE	F	PR Councillor	EFF	Proportional
62	Makobe	PA	M	PR Councillor	SAMEP A	Proportional
<b>TOTAL</b>					<b>Males</b>	<b>Females</b>
					30	32

### Executive committee

The Mayor of the Municipality, Cllr. Bahula BM, 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 2016 – 30 June 2017.

NAME OF MEMBER	GENDER	CAPACITY
Cllr. Bahula B.M.	F	Mayor
Cllr. Mohlala MJ	M	Infrastructure Services
Cllr. Mankge HN	M	Corporate Services
Cllr. Malaka MS	M	Budget and Treasury
Cllr. Maisela KR	F	Community Services
Cllr. Lerobane MP	F	Economic Development and Planning
Cllr. Phala M	F	Deputy Head Infrastructure
Vacant	Vacant	Deputy Head Corporate services
Cllr. Mapheto MT	M	Deputy Head Budget and Treasury
Cllr. Maloma PT	M	Deputy Head Community Services
Cllr. Monakedi AL	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 2016/2017 Mayoral term and their Chairpersons are as follows:

Committee	Chairperson	Head	Section 79 or 80
Budget and Treasury	Cllr. Leshalabe MM	Cllr. Malaka MS	79
Community Services	Cllr. Mabatane MC	Cllr. Maisela KR	79
Corporate Services	Cllr. Mokomane ML	Cllr. Mankge HN	79
Economic Development and Planning	Cllr. Mahlase M.M	Cllr. . Lerobane MP	79
Infrastructure Services	Cllr. Diale KE	Cllr. Mohlala MJ	79
Municipal Public Accounts Committee	Cllr. Diketane SP		79
Council Whip	Cllr. Chego KD		79
Ethics Committee	Cllr.		79
Portfolio Chairpersons	Cllr. Matjomane NM		79
Geographical Names Committee	Cllr. Tala MA		79
Budget and Treasury Cluster	Cllr. Malaka MS		80
Corporate Services Cluster	Cllr. Mankge HN		80

## 2.2. Administrative governance

### Makhuduthamaga Top Management

Designation	Initials & Surname	Gender
Acting Municipal Manager	Mr Matlala MK	M
Director Corporate Services	Mr Matlala MK	M
Chief Financial Officer	Mr Moganedi R.M	M
Acting Director Economic Development and Planning	Ms Bapela MB	F
Director Infrastructure Services	Ms Komape S M	F
Acting Director Community Services	Mr Marishane ME	F

The following Department positions were vacant since the financial year:

- 1) Director Community Services from July 2014.
- 2) 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
- Speaker'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
- Speaker's forum
- Debt Forum
- CFO's Forum
- Provincial Communicators Forum.
- Provincial Development Planning Forum

## Component C: Public Accountability and Participation

### 2.4. Public meetings

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. 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 2016/2017 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.

## 2.5. IDP Participation and Alignment

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

### 2.5.1 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.
- IDP and PMS



## 2.6. Risk Management

Makhuduthamaga Municipality is committed to the optimal management of risk in order to achieve our vision, our principal tasks and key objectives and protect our core values.

The Council has committed the organization to a process of Risk Management that is aligned to the principles of the King III Report and the Municipal Finance Management Act (MFMA). The features of this process are outlined in Makhuduthamaga Municipality's Risk Management Strategy. It is expected that all directorates, operations and processes will be subject to the risk management strategy.

All Risk Management efforts were focused on supporting Makhuduthamaga Municipality's objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

The Municipality's Risk Management Unit works hand in hand with the Risk Management Committee which report quarterly to Audit Committee. The Risk Management Committee is chaired by an Independent person not in the employment of Council.

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 in service delivery; as such it has developed extensive risk mitigating measures for both strategic and operational risks which 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.

### Risks that were identified during strategic risk assessment are:

Objectives	Risk	Root cause	Inherent risk
Improve quality of life	Inability to maximise eradication of road infrastructure backlog	>Budget Constraints	Low
	Inability to provide electricity to all Makhuduthamaga Community	>Limited powers and functions >Unplanned development and growth.	High
To provide sound and sustainable management of the financial affairs of Makhuduthamaga	Inadequate revenue generated and collected to meet the municipality expenditure and service delivery requirements	>Inadequate basic services rendered to communities >Misunderstanding of property rates by business	High



municipality		<p>owners</p> <ul style="list-style-type: none"> <li>&gt;Non accountability of debtors</li> <li>&gt;Non implementation of by-laws</li> <li>&gt;Land ownership (Tribal Authority)land is owned by 3<sup>rd</sup></li> </ul>	
	Delays in procurement processes	<ul style="list-style-type: none"> <li>&gt;Inadequate utilisation of procurement plan</li> <li>&gt;Limited coordination between Supply Chain Management and departments.</li> <li>&gt;Incorrect specifications.</li> </ul>	High
	Failure to manage all municipal assets	<ul style="list-style-type: none"> <li>&gt;Inadequate update of asset register</li> <li>&gt;Lack of co-operation by staff to control movement of assets.</li> <li>&gt;Lack of assets maintenance plan in place</li> </ul>	High
	Irregular expenditure. Fruitless and wasteful expenditure.	Lack of adequate oversight role by council and senior management	High
To create an environment that will develop, stimulate and strengthen local economic growth	Inability to manage utilisation of space	<ul style="list-style-type: none"> <li>&gt;Land is owned by third parties (Traditional Authority)</li> <li>&gt;Lack of By- laws to regulate land use.</li> <li>&gt;Traditional Leaders not consulting the municipality when allocating land</li> </ul>	High
	Inability to attract and retain investments.	<ul style="list-style-type: none"> <li>&gt;Unavailability of suitable land (ownership)</li> <li>&gt;Lack of infrastructure</li> <li>&gt;Inadequate strategic marketing.</li> </ul>	High
To ensure sustainable environment and conservation	Unclean environment	<ul style="list-style-type: none"> <li>&gt;Inadequate waste collection systems</li> <li>&gt;Lack of buy laws</li> <li>&gt;Inadequate resources</li> <li>&gt;Lack of knowledge by communities</li> </ul>	High



To successfully implement mSCOA by 01 July 2017.	Inability to execute mSCOA transition	>Poor planning >Resistance to change >Lack of skills >Lack of resources	High
	Poor quality Annual Financial Statements	Poor/incorrect implementation of the mSCOA.	High
To build the capacity of MLM by way of raising institutional efficiency	Inability to attract and retain critical/scarcce skills	>Unattractive remuneration packages >Lack of amenities and recreational facilities >Geographical location. >Lack of Retention Strategy. >Poor Job Evaluation processes	High
	Council Interference in administration	>Misunderstanding of roles and responsibilities	High
	Public protest	>Reluctant to accept new political change >Community acting under bad influence	High

## 2.7 Anti-Corruption and Fraud

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 charter was approved by Municipal Council.

In terms of the Audit Committee Charter, the Audit Committee is also appointed as the Performance Audit Committee, and responsible for 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.

Below is the composition of the Audit and Performance Committee in the financial year 2016-17





Name	Capacity	Dates of AC meetings held
Mr. Gafane L A T	Chairperson	22 July 2016 25 August 2016 25 October 2016 24 January 2017 25 April 2017
Ms. Ndadana L M	Member	
Mr Mashala K E	Member	
Mr Chuene V K	Member	

The contracts of the Audit Committee members as indicated above lapsed on the 30 April 2017 and the below Audit Committee members were appointed with effect from the 1<sup>st</sup> of July 2017

Name	Capacity
Adv. Manthata HM	Chairperson
Ms. Ngoetjana MS	Member
Mr. Mpjane J N	Member
Mr. Maeyane A K	Member

### Internal Audit Unit

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

The internal audit unit of a Municipality must– (a) Prepare a risk based audit plan and an internal audit programme for each financial year; and (b) Advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to: (c) Risk and risk management.

Below are the activities of the Internal Audit Unit, which were performed during the year under review:

Panned Activity/projects	Comment
<b>(A) Policies and plans</b>	
Reviewed Audit Committee Charter	Reviewed and approved
Reviewed Internal Audit Charter	Reviewed and approved
Three year rolling Internal Audit Plan and annual programme	Developed and approved
<b>(B) Projects – (Risk based)</b>	
Supply Chain Management audit	Completed
Follow up audit on AGSA report (2015-16 findings)	Completed
Follow up audit on IA reports (2015-16 findings)	Completed
HRM -Leave and Time management audit	Completed



Enterprise Risk Management (including security management) audit	Completed
Audit on Economic Development and planning.	Completed
Expenditure Management audit	Completed
Assets management (including fleet management and maintenance (movable assets)	Completed
Audit on Infrastructure Development and Maintenance of Assets	Completed
MSCOA compliance audit	Completed
<b>(C) Regulatory Audit</b>	
Audit of Performance Information (First Quarter ,Second Quarter, Third Quarter and Fourth Quarter)	Completed

## 2.8. Supply Chain Management

### Overview of Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective.

The Supply Chain Management Policy of the Municipality has been drawn up to give effect to these principles and the Preferential Procurement Legislation, and furthermore to comply with the provisions of the Local Government: Municipal Finance Management Act and its Regulations promulgated in terms thereof.

The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

### Supply Chain Management Unit

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy, which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

### 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.



## 2.9. By-laws

The following by- laws were promulgated during the year under review:

1. Waste management by-law
2. Street trading by-law
3. Street advertising by-law
4. Municipal Amenities by-law
5. Nuisance control by-law

## 2.10. 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.

## 2.11. 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

Employees: Electricity Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
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%
<i>Mimogo re somela diphetogo!</i>					
<b>Financial Performance 2016/17: Electricity Services</b>					
<b>R'000</b>					
Details	2015/16	2016/17			
	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	R 392 312	R 130 810	R0.00	R 130 810
Repairs and Maintenance	R 6 000 000	R 4 000 000	R 6 000 000	R 6 000 000	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>

#### 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 2016/17 financial year.

#### Free Basic Services provided by MLM

Service provided	Number of households benefitted
1. Electricity	7549
2. Refuse removal	1 639



### 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		Gravel roads graded /maintained	
2012/13	310	3	7		439	
2013/14	310	3	7		439	
2014/15	310	0	8		316	
2015/16	310	104	12		414	
2016/17	310	105	14		380	
Asphalted Road Infrastructure						
Kilometres						
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained	
2012/13	11	11	1	0	0	
2013/14	14	14	0	1	0	
2014/15	26	8	1	1	1	
2015/16	38	12	1	1	1	
2016/17	0	0	0	0	0	
Cost of Construction/Maintenance:						
R' 000						
	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			



2015/16	0	176 640 000	38 000 000	176 640 000	0	1 575 746.00
2016/17						

Employees: Road Services					
Job Level	2015/16	2016/17			
	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 2016/17: Road Services					
R'000					
Details	2015/16	2016/17			
	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 18 100 000	R 23 000 000	R 38 000 000	R 37 973 000	R 27 000
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 2016/17: Road Services					
R' 000					
Capital Projects	2016/17				



	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Construction of access road to Mohlala/Madibaneng (6km)	R25 820 364.56	R25 820 364.56	R22 282 088.06		
Construction of Access road from Glen Cowie to Molo	R 0	R1 500 000.00	R0		
Construction of Access Road from Makgwabe to Mphane	R2 500 000.00	R2 500 000.00	R0		
Construction of Lobethal/Phaahla Access Bridge	R1 971 456.37		R1 971 456.37		
Construction of Kolokotela Internal Road	R883 478.91		R883 478.91		
Construction of Rietfontein Stormwater Control	R40 719.65		R40 719.65		
Construction of Rietfontein to Eensaam Access Road	R7 975 307.60		R7 975 307.60		
Rehabilitation of R579 Road	R 5 000 000.00				
Construction of access road to Maila Mapitsane Tribal office Phase 3	R 6 100 000.00		R 6 089 816.39		
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**

<b>Municipal Infrastructure Grant (MIG)* Expenditure 2015/16 on Service backlogs R' 000</b>						
<b>Details</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance</b>		<b>Major conditions applied by donor (continue below if necessary)</b>
				<b>Budget</b>	<b>Adjustment Budget</b>	
Construction of Kolokotela Internal Road	R883 478.91		R883 478.91	0	0	None
Construction of Rietfontein to Eensaam Access Road phase 1	R22 000 000.00		R22 000 000.00	0	0	None
Construction of Thabampshe to Tswaing Access Road phase 1	R31 000 000.00		R31 000 000.00	0	0	None
Construction of Madibaneng Access Road	R9 000 000.00		R9 000 000.00	0	0	None
MIG Overheads	R1 800 000.00		R1 800 000.00			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. There is a partial formal refuse removal service rendered by the Municipality. The program was a pilot project by LEDET for which the Municipality 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 and Ga Masemola. Skip bins are placed at Phokoane, Glen Cowie, Riverside, Jane Furse, Tshehlwaneng, Schoonoord and Ga-Masemola. The municipality has extended the services to the following areas: Hlalanikahle, Moratiwa Shopping Complex, Vleeschboom, Malegale, Apel Cross, Setlaboswane, Ga Maila Segolo, Marulaneng & Ga Maila Mapitsane. There is a permitted land fill site in Jane Furse. MOU is signed between the Sekhukhune District Municipality and Makhuduthamaga Municipality where by Makhuduthamaga Municipality has been granted responsibility to render waste management on its own. 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 Municipality with waste management at landfill side and environmental awareness, which managed to appoint 16 personnel, through the program called "Youth Jobs in Waste". The majority of the population creates 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 compactor truck and two (02) skip loader and fifty five (55) skip bins were bought and distributed. Two (2) wards have recycling projects which are: ward 29 and 30. The municipality erected 30 concrete waste bins in the Jane Furse area.

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	2014/15 Actual No.	2015/16 Actual No.	2016/17 Actual No.	2017/18 Actual No.
<b><u>Solid Waste Removal:</u></b> <b>(Minimum level)</b>  Removed at least once a week	Twice a week Street to street collection	Twice a week Street to street collection	Daily Street to street collection (Jane Furse, Phokoane, Glen Cowie, Mokwete, Schoonoord,) other identified areas collection is done as and when required	Daily Street to street collection (Jane Furse, Phokoane, Glen Cowie, Mokwete, Schoonoord) other identified areas collection is done as and when required
<b>Total number of households</b>	None	None	5000	5000

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2014/15	2015/16	2016/17	2017/18		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						



Mimogo re somela diphetogo!						
Total households	Entire Makhudutha maga Municipality	R4,5million	R6,8million			
Households below minimum service level						
Proportion of households below minimum service level						
Informal Settlements						
Total households	Entire Makhudutha maga Municipality	Entire Makhudutha maga Municipality	Entire Makhudutha maga Municipality			
Households below minimum service level						
Proportion of households below minimum service level						

<b>Employees: Solid Waste Management Services</b>					
Job Level	2015/16	2016/17			
	Employee s	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	3	3	3	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.

<b>Employees: Waste Disposal and Other Services</b>					
Job Level	2015/16	2016/17			
	Employee s	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%



Mmogo re šomela diphetogo!

7 – 9	0	3	0	3	100%
Total	0	3	0	3	0%

Financial Performance 2014/15: Solid Waste Management Services R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)				R3.2 000 00.00	
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	2 736 117	R 3 098 596	R 4 751 654	R 3 446 977	R 1 851 619

Employees: Solid Waste Management Services					
Job Level	2015/16	2016/17			
	Employee s	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	2015/16	2016/17			
	Employee s	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%

### 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 ended in 2014/15 financial year existed for this service. The new service level agreement is still pending since 2015/16 and 2016/17. There are four Libraries in Makhuduthamaga, at Jane Furse, Ga-Phaahla and Patantshwane and Phokwane. There are at least three community Halls within the Municipality.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of 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	-	-	-	-	-
16 – 18	-	-	-	-	-
19 – 20	-	-	-	-	-
Total	01	08	08	0	0%



## Traffic law enforcement and licensing services

These are the functions which were rendered by the Department of Roads and Transport but due to devolution these functions are the responsibility of the Municipality. It should also be indicated that the Services are carried out in concurrence and jointly with the provincial and national departments of transport. The Traffic service offered in Makhuduthamaga Local Municipality is a culmination of discussions and subsequent agreement between the Municipality and the Limpopo Department of Transport. The Municipality has other Devolved Functions i.e. Nebo and Sekhukhune Driving License Testing (DLTC) and Vehicle Testing Stations (VTS) services respectively.

## Disaster management

The Municipality response to Disaster incidents in terms of Disaster Management act 52 of 2002 as amended in 2015 section 16, whereby Local Municipality has been given full responsibility to deal with Disaster within their area of jurisdiction.

The Municipality assists in terms of providing relief materials in the form of temporary shelters, sponges and blankets. The following consignment has been provided during the year ending 2016/17

DETAILS OF VICTIMS	ID NUMBER	VILLAGE	NATURE OF DAMAGE	RELIEF PROVIDED
Maphutha Paketsane	4003210344081	Ga-Masemola ward 28	Structural fire, 02 roomed house burnt	05 blankets
Komane Mohube Racheal	6403230786089	Ga-Phaahla ward 24	Structural Fire, 03 roomed house with no injuries.	12 blankets, 03 mattresses
Mokgadi Doreen	6909091251088	Maserumule park ward 05	Shack fire with no injuries	06 blankets
Mathake Lebogang	909151409081	Vergelegen C	Structural fire, one room of a five roomed house burnt	08 blankets
Makobe Ramatsimela	6405250491083	Ga-Masemola maroge sec.	Structural fire, two rooms	06 blankets



		ward 28	affected and no injuries.	
Sefoka Mabule Albert	5602025310085	Ga-Masemola Mohlakole sec. ward 28	Three roomed house affected with no injuries	06 blankets

Name of Beneficiary	ID no. of Beneficiary	Village/ Ward	Relief
Komane Madiksdike Lorraine. Structural fire, one room affected with no injuries.	6602080704080	Stand no 365 Ga - Maila Mapitsane ward 15	16 blankets provided 082 820 2261
Mohlala Marema Jim Mud house collapsed. Family of one with no injuries.	3104035164083	Stand no 10154 Ga - Sekele ward 14	Shack provided. 082 820 2261

Name of Beneficiary	ID No.	Village/ Ward	Relief
Tshoga pitsi Justice	620105 5953 088	Mabone Ga-Masemola	04 Blankets
Fatima Maripane	N/A	Glen Cowie (Mathousand)	06 Blankets 4 Sponges
Mmasetsebe Dan Phetla	1958-18-02	Diphagane	3 blankets
Mahubane Mmabotshe Beauty	8111260887085	Riverside B	06 Blankets 2 Sponges
Malesele Ramushu	54031770710082	Mohwelere	04 Blankets 2 Sponges
Mametja Marisane Sydney	9311035659087	Mohwelere	06 Blankets 02 Sponges



Mokoena Kanyane Hellen Family of 01. 06 roomed house partially blown with 01 room affected. No injuries	4101060124080	Stand no 10106 Kolokotela Ward 30.	No relief 0824241968
Selema(Mapadimeng) Maudi Family of 02. 07 roomed house partially blown with 02 rooms affected. No injuries.	5705120665087	Stand no 10034 Kolokotela ward 30	No relief, Family recovered. 0725875334
Mashiloane Matsi Nelson Family of 06. 03 roomed house partially blown with 02 rooms affected. No injuries.	7205045719083	Stand no 10032 Kolokotela	No relief, family recovered. 0720642306
Moswathupa Motlatle Reginah Family of 06. 03 roomed house partially blown with 02 rooms affected. No injuries	6004250424088	Stand no 10036 Kolokotela	No relief 0636760680

### **SPORT,ARTS AND CULTURE PROMOTION**

The sub-division is mainly responsible for promotion of Sport, Art and Culture. It is also upgrades the sports and recreation facilities, this is done in conjunction with the Limpopo Department of Sport, Art and Culture. This is done continuously every year





## Component C: Planning and Development

### 3.7 Introduction

The Makhuduthamaga Municipality is predominantly rural and most of its communities are under the leadership of traditional authorities. The Traditional Authorities are the custodians of land, and therefore for the Municipality to acquire land for development it has to negotiate with Traditional Authorities, through a land acquisition process with the Department of Rural Development and Land Reform. The Municipality has a challenge of acquiring land due to unrealistic rates demanded by traditional authorities that do not match with the valuation reports. Most traditional authorities are also reluctant to release land as this is seen to be weakening their authority.. A Consultation meeting with selected traditional authorities was facilitated by the Municipality to create awareness on land use management. More awareness is still needed for traditional authorities to realize that the municipality requires land for development in order to grow its economy and improve the overall standard of living of all its communities.

The Municipality is in the process of finalising the review of the Local Economic Development (LED) Strategy. The strategy mainly identifies the municipality's major economic drivers and proposes how these can be streamlined in such a manner that can grow the economy and create opportunities for the communities of Makhuduthamaga. The draft LED Strategy furthermore proposes different clusters for the Municipality depending on the nature of each cluster.

### 3.8. Planning Overview

Makhuduthamaga Municipality is predominantly rural in character and therefore faces a challenge of implementing most town planning and land use management tools. The Spatial Planning and Land use Management Act (16 of 2013) was passed to ensure requires that effective and standard land development and management across all spheres of government. The promulgation of the Act furthermore ensures that all municipalities should handle their own planning matters applications as opposed to forwarding them to them to CoGHSTA as it has been the case in the past. All municipalities are required to adhere and comply with provisions of the Act by effecting the following changes amongst others:

- Establishing a Municipal Planning Tribunal (MPT) to consider all development applications;
- Categorization of land development applications;
- Promulgation of a SPLUMA bylaw;
- Development of a wall-to-wall land use scheme;

Sekhukhune District Municipality has advised all its local municipalities to form a Joint Municipal Planning Tribunal (JMPT) as an interim measure to ensure sharing of resources and that there is are no service delivery gaps. As such, Makhuduthamaga forms a part of the district based JMPT. Land development applications have also been categorized as stipulated in the Spatial Planning and Land Use Management Regulations.

CoGHSTA and Sekhukhune District Municipality have also been assisting municipalities with the development of a standard bylaw. The bylaw will be adopted and promulgated when all phases have been fully developed. The municipality is also in the process of developing its wall-to-wall land use scheme. Compliance with these SPLUMA requirements will ensure that the municipality can effectively process all land development applications to speedup service delivery and grow the economy.



For the year 2016/2017 the Municipality received 23 applications for businesses, of which 14 were approved and it was an approval in principle and permission to occupy were issued. Nine (9) business applications were not determined at the end of the financial year. Twelve (12) applications for residential were received, of which eleven (11) were all approved and issued with P.T.Os, only one was outstanding at the end of the financial year. The Municipality also received five (5) applications for farming of which four were approved an approval in principle were issued, only one is outstanding by the end of the financial year 3 were approved and approval in principle were issued while one was outstanding by year end. Three applications for churches were received and were all approved and approval in principles issued. Total applications received for the year 2016/2017 were 43, 32 were approved and 11 are outstanding.

The municipality has a fully SPLUMA compliant Spatial Development Framework (SDF). The development of the SDF was funded and managed by the Department of Rural Development and Land Reform and was adopted by Council in 2015. Amongst others, the SDF outlines the following key priority areas:

- the need to initiate the process of formalising Jane Furse as the primary growth point;
- introduction of formal planning of settlements;
- the need to contain urban sprawl;
- conservation of protected areas;
- Development and enhancement of municipal nodes.

There are programmes that have already been initiated in an attempt to implement the proposals contained in the SDF. The municipality has already initiated the process to assess the feasibility of formalisation of Jane Furse as the primary node. This will be done by undertaking specific studies and investigations to inform the formal township establishment process of formalizing Jane Fuse.

The municipality also identifies strategic settlements that are formally planned. For the 2016/17 financial year the following settlements were formally planned:

- Groblersvrede (Makgane);
- Korenvelden (Marishane)
- Ga-Mashabela (along R579 to Lebowakgomo)

This is done in response of the SDF to introduce formal planning and to avoid the haphazard nature of allocation of land which makes it difficult and costly to provide services such as roads, electricity and water.

The municipality has also embarked upon a journey to establish a Geographic Information System (GIS). There are many challenges facing municipalities in South Africa, challenges include the provision of basic services such as housing, free basic water and electricity,



economic development and also being sustainable in providing basic services. Makhuduthamaga is one of the municipalities facing these challenges.

Makhuduthamaga Local Municipality has embarked on the process of trying to resolve these challenges through the development and implementation of a geographic information system (GIS) strategy. The strategy is intended to provide or recommend GIS solutions to the current challenges as illustrated in the Integrated Development plan (IDP) faced by the municipality. The strategy amongst others will include how GIS can help the municipality raise and save substantial income and how it can assist the municipality in meeting its service delivery objectives and in a number of other areas including asset management, land use management, and performance monitoring.

Applications for 2016/17 financial year are listed as follows:

2016/17					
Detail	Total	Residential	Farming	Business	Churches
Planning application received	43	12	5	23	3
Determination made in year of receipt	32	11	4	14	3
Determination made in following year	11	1	1	9	0
Applications withdrawn	0	0	0	0	0
Applications outstanding at year end	11	1	1	9	0

#### Employees: Planning Services

Job Level	2015/16	2016/17			
	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 2016/17: Planning Services						
R'000						
Details	2015/16	2016/17				
	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 2015/16: Planning Services						
R' 000						
Capital Projects	2015/16					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Land scarping	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

#### 3.9 Comment on Local Economic Development performance overall:

The local economy is highly dependent upon agriculture with vegetables, grains and fruit being the key player, followed by retail services, taxi industry and manufacturing. Grain farming is also a major player on a subsistence basis

The Municipality coordinated LED meetings where progress on the implementation of the LED strategy was discussed. The Municipality planned to finalise the development of the strategy which will outline the role of the municipality and other stakeholders in supporting SMMEs. As



such no SMMEs were supported during the period of the development of the LED Strategy. The LED strategy identifies various issues and strategic areas for intervention such as indicated below:

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

Thrust	Strategies
Economic Base Development	Promote the dairy cluster value chain. Tourism, the white meat cluster SMME development.

### 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
LED Strategy Review	1000 000.00	60 informal market stalls have been completed. (Jane Furse and Moratiwa)
Developmental support for all LED sectors	3 250 000.00	Ward based LED profiles developed, updated agricultural value chain, tourism strategy and tourism showcase, SMME/ cooperatives assisted

### Challenges: LED

Challenge	Proposed Solution
Limited capacity in terms of operational staff	To increase capacity
Limited funding for projects	To plan in line with the LED strategy

### 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
Provision for Maintenance and Support of ICT Systems and Infrastructure	3 Years	Routine Maintenance of ICT Systems and Infrastructure	Good	Work done satisfactory	None
Supply and Delivery of ICT Equipment's	3 Years	Supply and Delivery of ICT equipment's as an when required	Good	Work done satisfactory	None
Installation and Maintenance of CCTV Cameras	3 Years	For surveillance security	Good	Work Done satisfactory	None
Installation and support of Service Desk System	3 Years	For Management of all ICT Service requests	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 Delivery of 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 area	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 admin	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 admin	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 admin	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 admin	N/A
		Monitoring			
		Completion			



Description of service rendered	Term of contract	Performance area	Performance rating	Performance comment	Corrective measure
		Report			
Consultant Services-Calibre and Associates	6 months	Development of Scoping report, Preliminary Design	Excellent	Good in supervision, site meetings, monitoring all project admin	N/A
		Monitoring			
		Completion Report			
Consultant Services-Sejagobe Consulting Engineers	6 months	Development of Scoping report, Preliminary Design	Fair	Good in supervision, site meetings, monitoring all project admin	N/A
		Monitoring			
		Completion Report			
Consultant Services-Ntsako Tiyani Consulting Engineers	6 months	Development of Scoping report, Preliminary Design	Excellent	Good in supervision, site meetings, monitoring all project admin	N/A
		Monitoring			
		Completion Report			
Consultant Services-Marumo Consulting Engineers	6 months	Development of Scoping report, Preliminary Design	Excellent	Good in supervision, site meetings, monitoring all project admin	N/A
		Monitoring			
		Completion Report			
		Monitoring			
		Completion Report			
Consulting Services-Mapoxe Consulting Engineers	5 months	Development of Scoping report, Preliminary Design	Excellent	Good in supervision, site meetings, monitoring all project admin	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 admin	N/A
		Monitoring			
		Completion			



Description of service rendered	Term of contract	Performance area	Performance rating	Performance comment	Corrective measure
		Report			
Consulting Services-Civstruct Consulting Engineers	5 months	Development of Scoping report, Preliminary Design	Excellent	Fair in terms of project supervision, site meetings and monitoring all project admin	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 admin	Evaluate consultant on monthly basis
		Monitoring			
		Completion Report			
Construction of Road-Bagma	10 months	Construction of access road per project Spec.	Good	Fair construction methods and standards	Weekly site Meetings
Construction of Road-Kgwadi ya madiba	6 months	Construction of access road per project Spec.	Good	Fair construction methods and standards	Weekly site Meetings
Construction of Road-Loge	5 months	Construction of access road per project Spec.	Excellent	Fair construction methods and standards	Weekly site Meetings
Construction of Road-NMC-katekile Construction	5 months	Construction of access road per project Spec.	Good	Good on construction methods and standards	N/A
Construction – mulalo business enterprise	6 months	Construction of access road per project Spec.	Fair	Fair construction methods and standards	Weekly site Meetings
Construction of Road-Dikgabo consultant	6 months	Construction of access road per project Spec.	Good	Good on construction methods and standards	N/A



Description of service rendered	Term of contract	Performance area	Performance rating	Performance comment	Corrective measure
Construction of Road-Mohlake Civils	5 months	Construction of access road per project Spec.	Fair	Fair construction methods and standards	Weekly site Meetings
Construction of Road-Mazaxa	8 months	Construction of access road per project Spec.	Good	Fair construction methods and standards	Weekly site Meetings
Consulting Services-Mogoba Maphuthi Consulting Engineers	8 months	Development of Scoping report	Fair	Fair construction methods and standards	Weekly site Meetings
		Preliminary Design			
		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
	2014/15	2015/16	2016/17
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 expenditure	0.70	2.03	1.77
The percentage of a Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the	75%	49%	56%



Municipality's integrated development plan

*Mimigo re somela diphetogo!*

## Employees in LED

Job Level	2016/17			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
0 – 3	2		0	0%
4 – 6	0	2	0	0%
<b>Total</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0%</b>

## Jobs created during 2016/17 by LED Initiatives (Excluding EPWP Projects)

Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost / displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
Total (all initiatives)				
Initiative A (12/13)	1120	3	1117	Register of employees
Initiative B (12/13)				
Initiative C (12/13)				
Job creation through EPWP projects				
Year	EPWP Implemented Projects	Jobs created through EPWP projects		
	No.	No.		
2014/15	19	318		
2015/16	12	159		
2016/17	8	242		

## Financial Performance for LED in 2016/17

Details	2016/17				
	Original Budget	Adjusted Budget	Actual	Commitments	Variance to Budget
<b>Total Operational Revenue (excluding tariffs)</b>					
Expenditure:					
Employees	R1 358 291	R1 358 175	R264 879	R 0.00	R1 093 296
Repairs and Maintenance					
Other	R0.00	R0.00	R0.00	R0.00	R0.00
<b>Total Operational Expenditure</b>	<b>R2 871 750</b>	<b>R3 550 750</b>	<b>R3 497 845</b>	<b>R0.00</b>	<b>R52 905</b>

**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: A total of 74.8% of vacancies are filled. Amongst those filled are three posts of Section 57 Managers. This has improved management services and facilitated speedy decision making processes.

On skills development and SALGA priorities, 33% of employee and Councillor training was achieved, and 55% of Ward Committees. 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.

**Service Statistics for Human Resource Services**

Human Resource Services Policy Objectives Taken From IDP			
Service Objectives	Outline Service Targets	2016/17	
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 and implement Employment Equity Plan, effective Human Resource Management, and	Ensure realistic human resources development and effective Human Resource Management
	Conduct internal survey	Ensure implementation of WSP through training and improve educational standards by providing bursary to the community.	Ensure promotion of employment equity and skills development
	Do staff reengineering	Ensure compliance to applicable legislation.	Achieved



*Mmogo re Somela diphetogo!*

### Employees: Human Resource Services

Job Level	2016/17			
	Posts	Employees	Vacancies (fulltime equivalent s)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	
4 – 6				
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				
Total	5	4	1	25%

### Financial Performance 2016/17: 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	R0.00	R 305 705
Repairs and Maintenance	R 500 000	R 657 208	R 557 983	R0.00	R 99 225
Other	R 7 800 000	R 8 120 600	R 8 772 379	R0.00	R -651 779
Total Operational Expenditure	R 8 409 644	R 7 665 467	R 7 359 762	R0.00	R 305 705

### Capital Expenditure 2016/17: Human Resource Services

R' 000





Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Commitments	Variance to Budget
Total All					
IT Infrastructure	R 2 500 000.00	R0.00	R 2 500.00	R0.00	R0.00

## 4.2 Information and Communication Technology (ICT) Services

### Introduction to Information and Communication Technology (ICT) Services

Information Communication Technology (ICT) services is best positioned to promote effective administration in order to achieve service delivery targets and ultimately have an impact on socio economic development. It is therefore integral to the functionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT systems, processes, compliant infrastructure and Strategies.

Service delivery priorities for ICT are to ensure that the Municipality has efficient and effective ICT Systems and Infrastructure. The Municipality has adopted and implemented Corporate Governance of ICT Policy Framework and Related policies as per Department of Public Service and Administration.

The Municipality has during the year under review developed and Approved ICT Strategy and Disaster Recovery Plan aimed at addressing the following:

- To manage municipal information and communication technology resources and
- To have proper processes to follow should disaster happen.

Service Objective :	
Installation of Service Desk System	For Management of ICT Service requests.
Procurement of ICT Infrastructure	To procure ICT equipment's as and when required.
Maintenance of ICT Systems and	For routine maintenance of ICT Systems and Infrastructure



Infrastructure				
Renewal of Software Licenses	To renew software licenses on annual basis.			
Employees: ICT Services				
Job Level	2016/17			
	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	1	1	1	25%
10 – 12	1	1	1	100%
13 – 15				
16 – 18				
19 – 20				
Total	3	2	1	25%
Financial Performance 2016/17: ICT Services				
R'000				
Details	2016/17			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Revenue Operational (excluding tariffs)				
Expenditure:				
Employees				
Repairs and Maintenance				
Other				



*Mmogo re Somela diphetogo!*

<b>Total Operational Expenditure</b>				
<b>Net Operational (Service) Expenditure</b>				
<b>Capital Expenditure 2016/17: ICT Services</b>				
<b>R' 000</b>				
Capital Projects	2016/17			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
<b>Total All</b>	<b>R 2 500 000.00</b>	<b>0</b>	<b>R 2 500 000.00</b>	
Installation of Service Desk System.	R 1 250 000.00	0		
Procurement of ICT Equipment's	R 650 000.00	0		
Renewal of Software Licenses	R 600 000.00	0		

#### Comment on the Performance of ICT Services Overall:

The division has performed fairly and should be prioritised by management. The division still needs to improve.

#### Component E: Organisational Performance Scorecard

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

#### Component F: Managing the municipal workforce

##### Municipal workforce management

Makhuduthamaga Municipality has established policies and procedures for the management of the workforce in 2016/17. The Municipality is in the process of establishing Policy Development Committee to review all municipal policies.

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: Municipal Manager, Economic Development & Planning and Community Services.



- Twenty three (21) Appointed Managers in various departments who all meet NQF level 6 Qualification.
- Appointed officers/ skilled officers
- Semi skilled officers

Employees					
Description	2016/17				
	Employee s (Filled)	Approve d posts		Varianc e	Varianc e
	No.			No.	%
Water	0	0		0	0%
Waste Water (Sanitation)	0	0		0	0%
Electricity and Electricity	1	1		1	0%
Waste Management	1	1		0	0%
Roads Waste Water and Storm water Drainage	1	1		0	0%
Transport	0	0		0	0%
Local Economic Development and Planning	09	12		03	25%
Community & Social Services	40	64		24	37%
Environmental Protection	0	0		0	0%
Health	0	0	0	0	0%
Security and Safety	0	0	0	0	0%
Corporate Policy Offices and Other	0	0	0	0	0%
Vacancy Rate 2016/17					
Designations	*Total Approved Posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)		
	No.	No.	%		
Municipal Manager	1	1 Month	0%		
CFO	1	0	100%		
Other S57 Managers (excluding Finance Posts)	4	2x 12Months	40%		



*Mmogo re šomela diphetogo!*

Other S57 Managers (Finance posts)	5	0	50%
Municipal Police	0	0	0%
Fire fighters	0	0	0%
Senior management: Levels 13-15 (excluding Finance Posts)	21	2 Months	0%
Senior management: Levels 13-15 (Finance posts)	5	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	10	0	0%
Highly skilled supervision: levels 9-12 (Finance posts)	5	0	0%
<b>Total</b>	<b>52</b>	<b>0</b>	<b>0%</b>

### Turn-over Rate

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2016/17	133	05	0.038

### Comment on vacancies and turnover.

Only six officials left the Municipality, which amounts to low turnover. 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 21 human resources policies in 2016/17 financial year and were reviewed in the current financial year

#### HR Policies and Plans

NO.	POLICY NAME	Approved	Reviewed	Resolution Number
1	HRM.1. Attendance and Punctuality Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
2	HRM.2. Employment Equity Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
3	HRM.3. Recruitment Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.



*Mmogo re šomela diphetogo!*

4	HRM.4. HIV/AIDS Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.
5	HRM.5. Incapacity due till health/injury Policy	Yes	Yes	No. 51 of 2016/17 Financial Year.
6	HRM.6. Incapacity due to Poor Work Performance Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
7	HRD.1. Internal Bursary Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
8	HRM.7. Employees under the influence of Intoxicating Substances Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
9	LRA.1. Legal Aid Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
10	HRM.8. Occupational Health and Safety Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
11	HRM.9. Private Work and Declaration of Interest/s Policy	NO	Yes	N/A
12	HRM.10. Relocation Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
13	HRM.11. Sexual Harassment Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
14	HRM.12. Smoking Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
15	HRM.13. Succession Planning Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
16	HRD.2. Training and Development Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
17	HRM.14. Travelling and Subsistence Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
18	HRM. Salary Administration Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
19	HRM. Leave Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
20	HRM. Dress Code Policy	Yes	Yes	No. 51 of 2016/17 Financial Year
21	External Bursary Policy	Yes	Yes	No. 51 of 2016/17 Financial Year

#### 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	0	0	0%	0	0	



*Mmogo re somela diphetogo!*

attention only						
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	

**Number of days and Cost of Sick Leave (excluding injuries on duty)**

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	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	<b>313</b>	<b>26</b>	<b>38</b>	<b>121</b>	<b>0,386</b>	

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





*Mmogo re šomela diphetogo!*

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
<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>				
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary action taken	Date Finalised	
Manager LED	Alleged Theft	Withdrawn	December 2017	
Manager Supply Chain	Alleged Corruption and Bringing The Municipality into Disrepute	Still waiting for Judgement	In Progress	None

### Comment on suspensions and cases of financial misconduct:

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

### 4.5 Capacitating the municipal workforce

#### Introduction to workforce capacity development

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) has 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 2016/17 to LGSETA on time. The Municipality has an 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 8.5%, employees achieved 47.7% whereas Ward Committees achieved 8%. Budget spend was R 492 307.86 which is 88% of the budget allocation (R 528 000.00). Variance was as a result of SCM processes and repeating same people for most training. Training Committee was not appointed for this year and thus the gaps experienced in nominations of candidates for training.

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

The following are currently undergoing training:

- The Municipal Manager.
- The Director Corporate Services
- The Chief Financial Officer
- Finance officials x 16
- Finance Interns x 4
- Other x 9

However the total numbers of people who have been trained in line with the minimum MFMA competency regulations requirements are thirty four (34)



*Mmogo re šomela diphetogo!*

2016/2017  
Draft Annual Report