

**LEPHALALE
MUNICIPALITY**

**Draft
Annual
Report
2014/15**

Lephalale Local Municipality

ANNUAL REPORT

Volume I

30 June 2015

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ACRONYMS

ACRONYM / ABBREVIATION	MEANING
AFS	Annual Financial Statements
AG	Auditor General
AG	Auditor-General
AVG	Average
BAC	Bid Adjudication Committee
BSC	Bid Specification Committee
BTO	Budget and Treasury Office
CDW	Community Development Workers
CoGHSTA	Department of Cooperative Government, Human Settlements and Traditional Affairs
Corp	Corporate Support Services Department
Dec	December
Dev. Plan	Development Planning Department
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EM	Executive Manager
EPWP	Expanded Public Works Programme
HR	Human Resources
i.t.o.	In Terms Of
IDP	Integrated Development Plan
Infra	Infrastructure Department
KPA	Key Performance Area
KPI	Key Performance Indicator

ACRONYM / ABBREVIATION	MEANING
LED	Local Economic Development
LDF	Local development Forum
LLF	Local labour forum
LLM	Lephalale Local Municipality
LUMS	Land Use Management System
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPCC	Multi-Purpose Community Centre
MSIG	Municipal Service Infrastructure Grant
MWIG	Municipal Water Infrastructure Grant
N/A	Not applicable to this quarter
PMU	Project Management Unit
POE	Portfolio of Evidence
Rep	Representative
R-value	Rand value
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
Sept	September
SLA	Service Level Agreement
Social	Social Services Department
Strat.	Strategic Services Department
SIP 01	Strategic
UOM	Unit of Measure, for example: # is number of, % is percentage
WSA	Water Services Authority
VIP	Ventilated Improved Pit Latrine
YTD	Year To Date

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

a. Vision

Lephalale Local Municipality is currently one of the fastest growing municipalities in the country and governs a town that has the potential to become the future hub of power generation in South Africa.

The municipality is working hand in hand with several stakeholders to build a vibrant city situated at the heart of the Waterberg coalfield. This coalfield is estimated to contain between 40 and 50% of SA's remaining coal reserves. Conventional wisdom is that the future of SA coal mining depends on the development of this extensive deposit of coal surrounding the town of Lephalale. There is no doubt that Lephalale will soon be a forerunner in the mining sector.

It is against this background that the vision of the Lephalale Local Municipality shows our dedication to the uplifting of local communities through the many opportunities for economic growth afforded to it.

Our vision is ***“To build a vibrant city and be the energy hub of Africa”***.

Our mission is to be ***committed to rural development, provision of quality, sustainable and affordable services, financial viability and good governance, local economic development and job creation***.

We endeavour to do this by being:

- **Community orientated:** Provide and deliver sustainable services and activities for the whole community
- **Transparent:** Invite and encourage public sharing and democratic participation in Council’s activities
- **Committed:** Focus and concentrate on Council’s core activities in a consistent manner
- **Business orientated:** Subscribe to, and comply with, the best business practices
- **Full of integrity:** Conduct Council’s business in a fair, responsible, flexible, equitable and honest manner
- **Accountable:** Report regularly to all stakeholders regarding Council’s actual performance
- **Environmentally friendly:** With all the development in Lephalale, the municipality will focus on taking care of the environment
- **Able to empower:** To be seen empowering our people as knowledge is power

In his state of the nation address in June 2014, President Jacob Zuma mentioned Lephalale as one of the mining towns that will be developed through the building of houses and infrastructure for services as part of the October 2012 agreement between business, government and labour. In recent years the development of the Waterberg has been designated a priority in the National Development Plan with road, rail and water infrastructure development taking precedence to ensure that power stations in South Africa are in future supplied with enough coal.

Some of the key projects are

- ❖ Eskom's Medupi Power Station
- ❖ Proposed Sasol coal mine
- ❖ Mokolo Crocodile River Water Augmentation Project
- ❖ Opening of New Coal Mines – Several mines have been awarded mining rights such as Waterberg Coal, Afrimatt aggregates, Ferrum Crescent, Temo and Boikarabelo mining companies. Resource Generation (Resgen), have also announced ambitious projects for the Waterberg and construction of the Boikarabelo mine started during the 2014/15 financial year. The mine will produce 6Mt/year when completed.
- ❖ Exxaro Expansion - Exxaro's open-cast Grooteegeluk multiproduct mine is being expanded to supply coal to Eskom's Medupi power station, to which it will eventually supply 14, 6 Mt/year. The mining company is also endeavouring to develop a new mine, Thabametsi, which could supply up to 17Mt/year to power stations and 2,8Mt/year to other markets. The group has proposed construction of a privately owned 600MW power station in partnership with independent power producer GDF Suez, which would be supplied by coal from Thabametsi.
- ❖ Agricultural Corridor – The municipality is working with several stakeholders in establishing agricultural projects which transfer skills to local farmers to create sustainable farming enterprises through the selling of produce to local markets.
- ❖ SIP 01 – Unlocking the northern mineral belt with Waterberg as the catalyst, (Strategic Integrated Projects). The projects amongst others include; rail - Transnet has committed to a phase 1 upgrade of the existing railway line from Lephalale to Mpumalanga via Thabazimbi, Rustenburg and Pyramid, from its current capacity of 4Mt/year to 23Mt/year by 2018 at a cost of around R5bn. Phase 2 calls for the construction of a new heavy-haul rail line from Thabazimbi to Ogies at a cost of around R32bn, which would eventually push coal volumes railed to more than 100Mt/year.

b. Key Policy Developments

Six of the municipal by-laws were approved by Council in the 2014/15 financial year, of which three were gazetted and three were brought back for amendments. The gazetted bylaws relate to sporting facilities, safeguarding of swimming pools and hiring of municipal premises and amenities. New and existing policies were developed and reviewed under the guidance of the National Development Plan and the Provincial Growth and Development Strategy. The IDP is aligned to the outcomes based delivery approach.

c. Key Service Delivery Improvements

At the heart of any local municipality are the services it renders to the community. It is also by the amount and quality of these services that it is often evaluated. Looking at the Annual Performance report for 2014/2015, it is clear that the Lephalale Municipality is committed to providing the best possible delivery of services to all residents residing within the Municipal boundaries. Despite many challenges, the level of service delivery is improving year by year and the amount of residents who have access to basic services continues to grow.

The Annual Performance Report shows that the Municipality as a Water Services Authority (WSA) managed to eradicate the back log on all formal settlements. Approximately 28 208 households have access to basic level of water.

This means that in terms of national standards, the majority of people residing in formal or proclaimed settlements have access to basic and high level water supply.

In some instances the Municipality has provided potable water tankers and drilled boreholes to ensure that all households have water at least within the radius 200m of each dwelling. There are however still many challenges as the town grows at a rapid pace and informal settlements mushroom around town. New extensions and farm dwellers on private land also pose a challenge when it comes to water supply.

A total number of 13 652 urban households are receiving waste removal services on weekly basis and approximately 6 759 households at rural villages has access to communal Waste removal services. This equates to a total of 20 411 households receiving basic level waste removal from total number of 29 880 households within Lephalale Municipality. The waste removal services are provided at the following villages namely:

Setateng

Mmatladi

Ga-Monyeki

Mokuruanyane

Ga-Seleka

A total number of 1 289 jobs were created through EPWP Waste programmes for the year.

A total of 92% of households within the municipal area have access to basic level of electricity. The mandate to provide electricity in rural areas currently lies with Eskom. A total of 912 smart meters were installed.

A total of 28 106 households have at least basic level of sanitation i.e. Ventilated Improved Pit latrines (VIP) or higher level.

All the internal access roads/ streets within the 38 villages were bladed.

On the sports and recreation facilities, Ga-Seleka Stadium and Thabo Mbeki Stadium were upgraded and Sefithogo Community Park was constructed and handed over to the Community.

A total number of 1 470 households have been registered as indigents and all are receiving free basic services.

Lephalale Municipality remains committed to rural development and the provision of quality, sustainable and affordable services and will continue to do so with the aim to more effectively serve the Lephalale community.

Public Participation: Our Municipality follows a development-communication approach, which means that our public participation programmes are responsive to the needs of the community within the context of government's mandated programme to improve lives of all community members. A total number of 3 IDP road shows were held at Morwe village, Mongalo village and Lephalale town

d. Future Actions

It is estimated that Lephalale will grow between four and five times its current size by 2030, if all foreseen developments take place within the projected time frames. This has necessitated the conclusion of a CBD development plan to coordinate future developments.

The CBD proposes the construction of both a northern and a southern bypass route to direct regional traffic around Lephalale town. The bypass routes are extensions of the regional road network. The bypass will likely stimulate the northwards expansion of Lephalale CBD and the Onverwacht light industrial area. Once fully developed, the strip will also serve as an interface between the mining activities to the north and the town, while protecting the residential fabric of the town.

The main objective of the Lephalale CBD Development Plan is to revitalize the Central Business Districts and thereby also upgrade the living conditions of people within the Lephalale and Marapong areas; creating an integrated and functional urban environment and rehabilitating the dysfunctional components of the CBD areas with economic development

e. Agreements and Partnerships

Under the banner of Local Economic Development the Lephalale Municipality, Exxaro, Anglo and Shanduka Black Umbrellas launched an Enterprise Development Incubator and Hub with the aim to accelerate the development, sustainability and ultimate independence of Small, Medium and Micro suppliers and enterprises in Lephalale. The aim is to collaborate with partners in the private sector, government and civil society to address low levels of entrepreneurship and high failure rate of black owned and emerging businesses. The Municipality continues to partner with Exxaro, Eskom and Resgen in improving infrastructure in Lephalale. Through the Lephalale Development Forum, the Municipality in partnership with strategic stakeholders coordinates infrastructure related initiatives.

f. Conclusion

In realising our mission and vision, the Municipality in partnership with stakeholders embark on programmes and initiatives aimed at building the city and the energy hub of Africa.

Through the collective effort, 2014/2015 has been a successful year in terms of service delivery which led to improvements towards community upliftment.

The overall economic growth led to the positive impact towards Waterberg GDP. Lephalale Municipality will continue to deliver its constitutional mandate by providing quality services to its community.

Signed by:



**Cllr. M J MAEKO
MAYOR**

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The five year long term plan is contained in the Integrated Development Plan (IDP) which is the Master Plan for service delivery within local government sphere. From the IDP we derive the Service Delivery and Budget Implementation Plan (SDBIP) and similarly the Performance Plans for Management are derived from the SDBIP. These strategic documents are fully aligned. The annual report looks back at the SDBIP and IDP for a period of one year and the outcomes help with the Annual Planning and results in the review of the five year Master Plan (IDP).

This annual report provides feedback in terms of our actual performance against the milestones and targets as set for the period under review, being the 2014/2015 financial year.

The current national government measures itself against the following priority areas in terms of the National Development Plan:

- Transition to a low-carbon economy
- An inclusive and integrated rural economy
- Reversing the spatial effects of apartheid
- Improving the quality of education, training and innovation
- Quality health care for all
- Social protection
- Building safer communities
- Reforming the public services
- Fighting corruption
- Transforming society and uniting the country

As a Municipality, we acknowledge the national priorities and as far it applies to the mandate of the municipality, our priorities are aligned thereto.

The following tabular matrix plots how the strategic objectives of the municipality align to the different objectives and priorities developed from various spheres of government:

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
Improving infrastructure	6 An efficient, competitive and responsive	Improved access to Basic Services	Public infrastructure investment programme	Provide quality and well maintained	Satisfied community members

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
	economic infrastructure network		Water Resource Development and Demand Management	infrastructural services in all municipal areas	
An economy that will create more jobs	4 Decent employment through inclusive economic growth	Implement the Community work programme and Co-operatives supported	Regional economic development and integration programme	Create a conducive environment for businesses to invest and prosper	Sustainable economy
		Deepen democracy through a refined ward committee model	Enterprise development (SMMEs and cooperatives development)		
An inclusive and integrated rural economy	7 Vibrant, equitable and sustainable rural communities with food security for all		Agriculture and rural development		
			Industrial development programme		
Reversing the spatial effect of apartheid	8 Sustainable human settlements and improved quality of household life	Actions supportive of the Human Settlement outcomes		Rational planning to bridge first and second economies and provide adequate land for development	Sustainable development
Transition to a low-carbon economy	10 Environment assets and natural resources that are well protected and continually enhanced		Environmental and natural resources development programme	Protect the environment and improve community well-being	Safe, healthy and clean living conditions
			Green economy and creation of green jobs		
Quality health care for all	2 A long and healthy life for all South Africans		Health care development programme		
Social protection	11 Create a better South Africa and contribute to a better and safer Africa and World		Safety and security	Capacitate disadvantaged groups	Quality life for disadvantaged groups
Transforming society and uniting the country					
Building safer	3 All people in				

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
communities	South Africa feel and are safe				
Improving quality of education, training and innovation	1 Improved quality of basic education		Education and skills development programme		
Fighting corruption		Implement a differentiated approach to municipal financing, planning and support	Corporate Governance	Enhance revenue and financial management	Financial Viability and Prosperous institution
	9 - A responsive, accountable, effective and efficient local government system	Single Window of co-ordination	Corporate Governance	Responsible, accountable, effective and efficient corporate governance	Public confidence
Reforming the public service	12 - An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Improved municipal financial and administrative capacity	Corporate Governance	Improve functionality, performance and professionalism	Best Governance ethos
	5- Skilled and capable workforce to support an inclusive growth path	Improved municipal financial and administrative capacity	Corporate Governance	Improve functionality, performance and professionalism	Best Governance ethos

Section 152 (1) of the Constitution sets out the Objectives of local government as follows:

- (a) To provide democratic and accountable local government for local communities;
- (b) To ensure the provision of services to communities in a sustainable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organizations in the matters of local government.

Section 152 (2) states that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

Section 153 of the Constitution sets out the Developmental duties of municipalities as follows:

A Municipality – must:

-
- (a) Structure and manage its administrative and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and
 - (b) Participate in national and provincial development programs.

The constitution requires us to prioritize the delivery of basic services. It is widely accepted that basic needs and basic services refer to the same set of functions/services being water, electricity, sanitation and refuse removal.

Our municipality is one of the fastest economically growing Municipality in the country, if not in the continent. The economic boom brought some challenges to us. Administratively, we oiled our service delivery machinery to meet both the infrastructure and human resources challenges. The report will outline projects undertaken to meet water, sanitation and other infrastructure challenges.

This report will reflect on our actual performance, identifies our key successes and some of the challenges faced during the 2014/2015 financial year in terms of the strategic (SDBIP and IDP) performance.

DEPARTMENT CONTRIBUTIONS TOWARDS OVERALL MUNICIPAL PERFORMANCE:

Contributions made by Departments to achieving the predetermined objectives of the municipality will be dealt with here under.



The **Office of the Municipal Manager** is responsible for ensuring the smooth running of the municipality. It provides guidance and advice on compliance with certain Legislative Acts that govern the Municipality to the political structures; political office-bearers and officials. The Office of the Municipal Manager consists of the following administrative units, namely Internal Audit and Risk Management.

The key functions of the Office of the Municipal are:

- The formation and development of an economical, effective, efficient and accountable administration that is equipped to carry out the task of implementing the municipality Integrated Development Plan (IDP) and responsible to the needs of the local community
- As Accounting Officer, the cost effective management of the municipality's budget and the timely implementation of resolutions
- The implementation of the municipality's IDP and monitoring the progress with the implementation of the plan
- The management and monitoring of Municipal services provided to local community in a sustainable and equitable manner
- The administration and implementation of the Municipality's by-laws and other legislation, including the implementation of National and Provincial directives, policies and legislation
- Exercising powers delegated to the Municipal Manager by the Municipal Council and other authorities of the Municipality
- Rendering administrative and strategic support to the Mayor and other political structures in Council

In the day to day activities, the Office of the Municipal Manager is also required to contribute to the achievements of the following operational objectives and strategies as set out in the IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Internal Audit	<ul style="list-style-type: none"> To assist management to comply with all relevant legislations and maintain sound internal control systems 	<ul style="list-style-type: none"> Develop risk based strategic and operational audit plan. Appoint performance audit specialist
Audit Committee	<ul style="list-style-type: none"> To advise management and Council on issues of corporate governance, Risk Management and Internal controls 	<ul style="list-style-type: none"> Respond to all issues raised by AG and give recommendations to Council. AC to meet as often as possible (no less that quarterly) to render required support.
Auditor General	<ul style="list-style-type: none"> Ensure clean audit results from 2014 onwards 	<ul style="list-style-type: none"> Address all queries raised by the AG and compliance to legislation Implement internal control system
Risk Management	<ul style="list-style-type: none"> Improve risk management processes by ensuring that all identified risks are mitigated 	<ul style="list-style-type: none"> Establish risk management unit Conducting risk assessments, updating risk registers, monitoring of implementation of risk register Improve on the functionality of the risk committee
Anti-corruption	<ul style="list-style-type: none"> To curb corrupt behaviour through deterrence, prevention and education 	<ul style="list-style-type: none"> Create awareness on the fraud prevention plan and anti-corruption policy and hotline Strengthen internal control system (policies) by implementation of policies

Of the six (6) KPIs for the Office of the Municipal Manager related to the abovementioned focus areas, three (3) achieved target, amongst others the achievement of an unqualified audit opinion and three (3) were under target.

The **Budget and Treasury Department** is responsible for budget compilation and control, Debtor management (Credit Control, Debt collection), Accounting Services (Cash flow management, Cost accounts), Treasury management (Loans, Investments) and Inventory (Procurement & Provisioning).



The Department has the following units:

- Budget and Reporting
- Expenditure
- Income
- Supply Chain Management

The key functions of the Department are:

- The management of Municipality's financial accounting functions to ensure unqualified audit reports
- The compilation and control of the municipality's budget to effect no budget variance
- To manage cash receipts and disbursement to facilitate non-utilisation of bank overdrafts
- Accurate payment of personnel salaries and allowances
- The administration of the municipal finances to ensure cash is available for projects and operations
- Ensuring daily banking of cash received
- Management of investment to earn above national average interest on surplus funds
- Determination of tariffs and taxes and ensuring budgeted costs are recovered
- Timely development and submission of financial statements to ensure positive financial results
- Alignment of the budget, Integrated Development Plan and Performance Management System
- Manage income and expenditure of the municipality to ensure sound financial management of Council

In the day to day activities, the Budget and Treasury Office is also required to contribute to the achievements of the following operational objectives and strategies as set out in the IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Expenditure Management	<ul style="list-style-type: none"> • Payment of creditors within 30 days 	<ul style="list-style-type: none"> • Cash flow management
Revenue Management	<ul style="list-style-type: none"> • To increase own revenue through credit control and lobby for more external funding 	<ul style="list-style-type: none"> • Improve on billing accuracy • Creating community awareness • Identification of potential additional revenue sources • Implementation of pre-paid electricity and water smart meters. • Manage external debt collectors • Review credit control policy annually. • Revise tariff structures • Development of business plans for funding of identified projects.
Free Basic Services	<ul style="list-style-type: none"> • To provide free basic services to qualifying indigents 	<ul style="list-style-type: none"> • Update and verify indigent register. • Providing indigents with free basic services. • Community awareness. • Develop action plan and changing over to pre-paid system • Establish vending points and systems for the establishment of pre-paid electrical system. • Upgrading of existing household connections to prepaid meters
Budget and Reporting	<ul style="list-style-type: none"> • Continuous compliance with regulatory frameworks • Continuously implement cost management 	<ul style="list-style-type: none"> • Timeously drafting and submitting monthly expenditure and budget statements to internal departments, Council and organs of state. • Implementing cost accounting.

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
	accounting	<ul style="list-style-type: none"> • Monthly cash flow forecasting. • Prepare maintenance budget informed by maintenance plan • Enforce market testing of prices during budget processes • Implementation of MSCOA (Municipal Standard Chart of Accounts).
Asset Management	<ul style="list-style-type: none"> • Continuously ensure that the asset register is compliant with GRAP and other prescriptions 	<ul style="list-style-type: none"> • Verification and updating of asset register • Development and implementation of an infrastructure investment framework and plan • Increase the capacity in asset management unit
Demand and Acquisition	<ul style="list-style-type: none"> • Ensure compliance with SCM regulatory framework • Timely, cost effective, efficient, equitable, transparent and fair procurement of goods and services • Creating a healthy working environment that takes diversity into consideration to improve efficiency and effectiveness 	<ul style="list-style-type: none"> • Fill vacant positions. • Conduct supplier workshops about procurement • Conduct internal workshops on SCM • Identify recurring procurement that can be outsourced • Conduct awareness on SCM processes during induction of new staff • Updating of database on annual basis • Data cleansing of suppliers • Revision of procurement policy on annual basis

Of the twenty one (21) KPIs for Budget and Treasury Office, three (3) KPIs excelled, fourteen (14) achieved target or more and four (4) did not achieve target.

The **Corporate Support Services Department** is responsible for Administrative Support, Legal and Secretariat as well as Human Resources Management. It provides support services, provided based on specialised knowledge, best practices and technology to serve internal (and sometimes external) customers and stakeholders. The Department has the following units:

- Administration and Secretariats
- Human Resources
- Legal Services



The key functions of the Department are:

- The management of the Municipality's and department's human resources; legal services and administration in accordance with Municipal legislation and other legislation applicable to the Municipality, including the management, discipline and development of staff
- The cost effective management of the department's budget and the timely implementation of resolutions related to the department
- The administration and implementation of the Municipality's by-laws and other legislation, including the implementation of National and Provincial directives, policies and legislation and the rendering of legal advice, litigation and ensuring legislative compliance
- Rendering of swift and accurate administrative support services with internal customer orientation

In the day to day activities, the Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Records and Archiving	<ul style="list-style-type: none"> To ensure safe keeping of Council documentation at all times 	<ul style="list-style-type: none"> Training Workshop with divisions regarding archiving processes Automation of archiving system, including proper management information system Provide effective and safe storage space for documentation
Governance and Administration	<ul style="list-style-type: none"> To have full functionality of all Council committees at all times 	<ul style="list-style-type: none"> Monitoring of the functionality of portfolio committees by Speaker Review delegation of powers and functions regarding constitutional and other legislative delegated powers Timeous submission of Council items Adherence to meeting schedules and standing orders
IT and support	<ul style="list-style-type: none"> To ensure that IT systems are secure and communication is efficient 	<ul style="list-style-type: none"> Capacitate IT Unit. Increase broadband capacity by means of acquiring additional data line Establish separate IT Division
Human Resource Management	<ul style="list-style-type: none"> To have relevant, qualified and competent people in the right positions and correct Departments by June 2015 To continuously review and implement the recruitment and retention policies Continuous verification of qualifications Compliance with employment equity act 	<ul style="list-style-type: none"> Develop competency requirement for all levels. Align powers and functions in terms of the institutional study Verification of qualifications. Review HR recruitment policy annually To appoint people who can build and manage a city
Labour Relations and EAP	<ul style="list-style-type: none"> Maintaining harmonious employment relations by minimizing grievances, disputes and locally initiated labour action To continuously enforce code of conduct and disciplinary code 	<ul style="list-style-type: none"> Building capacity through training and workshops for managers, Managers and supervisors in labour relation and human resource management matters Establish functional EAP Unit and development of an EAP policy Having regular LLF meetings. Create awareness amongst staff on code of conduct

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
		<ul style="list-style-type: none"> • Ensure that grievances are resolved speedily • Enforcing discipline • Executive Managers, Managers and supervisors to undergo Management Development Programmes, which includes training on how to handle Disciplinary and grievance procedures • Development and implement change management strategy • Application of disciplinary procedures and actions • Annual team building sessions
Occupation Health and Safety	<ul style="list-style-type: none"> • To continuously ensure compliance to the Occupational Health and Safety Act 	<ul style="list-style-type: none"> • Training Executive Managers, Managers and Supervisors, incident investigators and safety reps on OHS matters • Conducting evacuation training and drills • Conduct training with staff working at heights • Training parks personnel on pest control
Training and Development	<ul style="list-style-type: none"> • To build and retain competent staff 	<ul style="list-style-type: none"> • Review retention and succession policy and draft implementation plan • Implement conditional study grants for employees • Implement Mayoral bursary scheme • Implementation of internship and learner ship programme
Legal Services	<ul style="list-style-type: none"> • To minimise unwarranted litigation and litigation costs 	<ul style="list-style-type: none"> • Conduct information dissemination workshops with all relevant officials every six months • Monitoring the compliance to legislation by departments. • To develop and implement control measures to ensure compliance • Reduce litigation costs
By-laws	<ul style="list-style-type: none"> • To ensure that relevant by-laws are in place and updated as and when needed 	<ul style="list-style-type: none"> • Identification of applicable by-laws in jurisdiction and development thereof • Capacitate enforcement officers
Property Management	<ul style="list-style-type: none"> • To maintain a credible fixed asset register 	<ul style="list-style-type: none"> • Facilitate name change on property deeds register • Review and implement property management policy

Of the twelve (12) KPIs for Corporate Support Services, one (1) excelled, five (5) achieved target, two (2) were zero weighted (not applicable) and the other four (4) did not reach target.

The **Development Planning Department** is responsible for Land Use Management, Building Control, Local Economic Development, Tourism Development, Municipal Marketing and International relations as well as coordinating SMME development. The Department has the following units:

- Building Control
- Economic Development and International Relations
- Spatial and Land Use Management

The key functions of the Department are:

- The facilitation of Local Economic Development for the purposes of poverty reduction, economic growth, improved beneficiation for all members of the community, integration of markets and establishment of partnerships
- The promotion of eco-tourism and marketing and branding of the Municipality - International Relations
- The facilitation of investment in the Municipal for purposes of economic growth
- The co-ordination of the development and review of the municipality's IDP and the implementation of the plan
- The promotion of tourism attractiveness and popularisation of Local tourism products
- The coordination of spatial planning and responsible land use

In the day to day activities, the Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Building plans administration and inspectorate	Implement an effective administrative/regulatory framework for building plan approval by 2016	<ul style="list-style-type: none"> • Develop a punitive strategy for dealing with building regulation transgressors (e.g. deprivation of electrical services of transgressors) • Streamline and monitor the building plan approval process • Fast track the contravention process • Review the fines for building contraventions
Outdoor advertising	To ensure compliance to the legislated application procedures by 2015	<ul style="list-style-type: none"> • Promulgate Municipal Outdoor Advertising By-laws • Removal of illegal advertising structures • To conclude interdepartmental MOU with RAL for the co-ordination and management of outdoor advertising Formulate data base / register of outdoor advertisements
Job creation	<ul style="list-style-type: none"> • To reduce unemployment rate (27%) by 5% within the municipality by 2015 	<ul style="list-style-type: none"> • Collaborate with local stakeholders and strategic partners that deal with developmental programmes that provide job creation opportunities, focussing on local job creation • Review LED Strategy • Implementation of LED strategy through development and supporting emerging farmers

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Marketing and branding	<ul style="list-style-type: none"> To continuously promote investment in Lephalale area 	<ul style="list-style-type: none"> Appoint Tourism Officer to deal with marketing and branding Building plans for development in CBD to be commented on by LED Unit Implement and enforce compliance of CBD plan Developing marketing materials Attend external exhibitions and hold local exhibitions to promote Lephalale
Public Private Partnerships	<ul style="list-style-type: none"> To identify and convert one out of two of potential investors (both local and foreign) to invest by 2022 	<ul style="list-style-type: none"> Foster IGR relationships Develop Collaboration agreements with both public and private entities on programme implementation Maintain good relationships with strategic partners
SMMEs	<ul style="list-style-type: none"> To Identify and utilise local resources to create opportunities for economic growth and employment by 2015 	<ul style="list-style-type: none"> Pay SMMEs in 30 days. Fast track municipal licensing for small traders. Ensure compliance and enforcement of informal traders by-laws Grow Rooigoud emerging farmers to become prosperous farmers Review and revive the Lephalale agri-corridor initiative Coordinate economic development programmes and formulate policies and by-laws that encourage entrepreneurship development
Tourism Development	<ul style="list-style-type: none"> To develop and promote the tourism office, tourism establishments and attraction facilities by 2017 	<ul style="list-style-type: none"> Promoting tourism and attractions through the Lephalale Tourism Association and exhibitions Capacitating tourism office
Land acquisition	<ul style="list-style-type: none"> To ensure adequate land availability for development by 2018 	<ul style="list-style-type: none"> Approach COGHSTA (HDA) for acquiring developmental land. Land audit study for the identified nodal areas
Land Use	<ul style="list-style-type: none"> To develop and implement all land use policies according to land use principles by 2016 	<ul style="list-style-type: none"> Compilation and promulgation of LUMS
GIS	<ul style="list-style-type: none"> To have a sustainable and integrated GIS System by June 2015 	<ul style="list-style-type: none"> Acquisition of relevant software and on-going migration and maintenance

Of the eight (8) KPIs for Development Planning, two (2) far exceeded targets, six (6) achieved target and none did not achieve target.

The **Infrastructure Services Department** is responsible for Water services, Electrical services, Sanitation services, Public Works, Roads and Storm water, and Municipal Workshop. The Department has the following units:

- Water
- Sewerage
- Project Management Unit
- Electrical
- Roads and Storm water



The key functions of the Department are:

- The management of the Department's administration in accordance with Municipal legislation and other policies applicable to the municipality.
- The cost effective management of the department's budget and the timely implementation of resolutions and projects related to the department
- The Provision, upgrading and maintenance of clean drinking water and hygienic sanitation systems
- The construction and maintenance of municipal roads for safe accessible roads
- Cost effective project management of infrastructure development
- The supply and maintenance of the electrical network in the municipal licensed area
- The management of the mechanical workshop

In the day to day activities, the Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Electrical Network (Electricity – Maintenance and Upgrading)	<ul style="list-style-type: none"> • To upgrade the capacity of the electricity network with 120 MVA by 2015 • To increase the effective utilisation of the installed capacity of 120 MVA by end of 2030 • To ensure continuous and reliable supply of electricity to all residents within the Lephalale municipal area by 2030 • To attend and resolve all electricity breakdowns within 24 hours 	<ul style="list-style-type: none"> • Roll-out and implementation of smart meters within the Onverwacht and Ellisras areas and addressing electricity losses within the municipality. • Recruitment of qualified artisans to improve on maintenance and service delivery aspects. • Establish maintenance team (inclusive of electrician) for rural areas (pump stations and high mast lights) and increase the number of electricians and maintenance teams within the urban area. • Conduct feasibility study and develop master plan for expansion of services within the whole municipal area. • Add more substations in Lephalale town to accommodate 40MVA for the continuous current carrying capacity. • Procurement of new testing equipment, tools and utilisation of advance technology to improve quality of maintenance services on electrical network.
Electrical Network (New)	To provide all households within the municipal area with	<ul style="list-style-type: none"> • Review electricity master plan

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Infrastructure)	electricity in line with national targets by 2030	
Energy Efficiency	<ul style="list-style-type: none"> To continuously implement energy efficiency measures 	<ul style="list-style-type: none"> Conduct an energy efficiency audit To exchange energy consuming lights with energy saving lights (High masts and street lights). Installation of ripple control systems and install capacitor banks in main substations Promote and enforce consumer compliance to energy saving initiatives (solar geysers, solar lights, inverter air conditioners and energy relay controls).
Fleet Management	<ul style="list-style-type: none"> Minimisation of misuse of municipal fleet vehicles and controlling of fuel usage Provision and maintaining the municipal fleet to cover the vast distances within municipal boundaries 	<ul style="list-style-type: none"> Installation of automated fleet management system and training of staff regarding the management of that system Implement fleet management system and enforce proper control mechanisms. Review fleet management policy
Roads and Storm water (New infrastructure)	Construct the southern and northern by-pass roads by 2020	<ul style="list-style-type: none"> Review roads and storm water master plan for incorporation into Rural Development Strategy and plan
Roads and Storm water (Maintenance and upgrading)	<ul style="list-style-type: none"> Upgrading all access roads to villages from gravel to tar by 2030 To maintain all municipal roads as per required standards and timeframes (as per schedules) 	<ul style="list-style-type: none"> Review access road upgrading plan and schedule to be incorporated into integrated rural development plan Development of grading programme and schedule in co-operation with members of Infrastructure Portfolio Committee Procurement of at least one additional grader and TLB
Maintenance of Municipal Buildings	<ul style="list-style-type: none"> To attend to all minor maintenance aspects within 24 hours To continuously upgrade municipal buildings to keep abreast of growth and development 	<ul style="list-style-type: none"> Appointment of long-term service provider to attend to maintenance of air-conditioning within municipal buildings. Expand maintenance team to be suitably staffed to attend to maintenance program scheduled for municipal buildings
Sanitation (New Infrastructure)	To establish a city wide water borne sanitation system by 2030	<ul style="list-style-type: none"> Conduct feasibility study and compile sanitation master plan for both rural and urban areas
Sanitation (Maintenance and Upgrading)	<ul style="list-style-type: none"> To implement mechanisms to reduce sanitation spillages to achieve no spillages by 2020 To attend and resolve all sanitation breakdowns within 24 hours 	<ul style="list-style-type: none"> Install telemetric systems for sewer pump stations
Waste Water Quality (Green	To establish a compliant, healthy and hygienic sanitation	<ul style="list-style-type: none"> Implement plan to ensure compliance (submission of portfolio of evidence for maintenance of sewer

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Drop)	system by 2020	network) to green drop requirements and standards (inclusive of sampling)
Water Quality (Blue Drop)	Maintain blue drop status (minimum of 90%), risk rating to be less than 50%	<ul style="list-style-type: none"> Monitoring of water quality within all registered water sources.
Water Loss (Unaccounted Water)	Ensure that water losses are at acceptable standards of no more than 14%	<ul style="list-style-type: none"> Implementation of water conservation and water demand management programme Reduce water losses to less than 14%
Water Maintenance and Upgrading	<ul style="list-style-type: none"> To ensure that all AC pipes are replaced by 2017 To attend and resolve all water breakdowns within 24 hours 	<ul style="list-style-type: none"> Expand on teams and employees responsible for maintenance of water infrastructure
Water Supply	To ensure that all households have yard connections by 2030	<ul style="list-style-type: none"> Implementation of regional water scheme projects (MIG) Ensure that MCWAP plans incorporate the rural water demand. Finalisation of Section 78(3) process with regards to determination of appropriate mechanisms for water provisioning. Linking Marapong supply with the Zealand treatment works. Review water master plan to be incorporated within the integrated rural development plan Conduct surveys and development of feasibility study for development of technical report and realistic funding requirements

Of the eighteen (18) KPIs for Infrastructure Services, thirteen (13) achieved target, two (2) were zero weighted (not applicable) and three (3) did not reach target.

Social Services Department is responsible for Recreational Facilities, Solid Waste Management and Environmental Management, Housing, Library, Sports Arts and Culture, Safety and Security, Fire and Rescue Services and Disaster Management, Traffic Control, Licensing Authority, Safety and Security Management. The Department has the following units:

- Waste Management
- Park and Recreation
- Traffic, Road and Safety & Security
- Licensing and Registration
- Fire Services and Disaster Management
- Library and Thusong Centres



The key functions of the Department are:

- Through Environmental management, ensuring clean, safe and quality water, pollution free environment and the appropriate disposal of the dead and refuse
- To ensure environmental sustainability and ecological preservation and conservation
- Manage the provision of fire and rescue services in saving lives, the prevention of fires, safeguarding of property, humans and animals
- Facilitation of a crime free environment
- The promotion of Sports, Arts and Culture for purposes of wellness, preserved and diverse culture and a society with high morals
- Traffic Policing
- Policing of By Laws and Policies
- To ensure safety and security of Municipal employees, clients and assets
- Provision of effective Transport administration and licensing services
- To bring Government Services and information closer to people
- The endorsement of literacy, economic growth, enrichment of minds, job security and safe schools

Social Services Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Registering Authority & Licensing	<ul style="list-style-type: none"> To ensure effective and efficient Transport system 	<ul style="list-style-type: none"> Establishment of Great A Diving Licence Testing Centre at Mokuruanyane
Coordination of Public Transport	<ul style="list-style-type: none"> Ensure efficient and effective public transport system through the implementation of the integrated Transport Management Plan 	<ul style="list-style-type: none"> Call regular meetings with stakeholders in the public transport sector Implement the integrated Transport Management Plan Monitoring the suitability of public transport facilities Continuously identify transport infrastructure needs
Fire, Rescue Services and	<ul style="list-style-type: none"> To arrive within 15 minutes for every 40 kilometres 	<ul style="list-style-type: none"> Implementation of fire prevention measures through regular inspections on buildings and fire

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Disaster Management	travelled at incidents after vehicles dispatched	hydrants <ul style="list-style-type: none"> Respond to emergency incidents promptly Continuous capacity building to ensure efficient and effective rescue measures Ensure sufficient staff and equipment that are in good working order at all times
Library	<ul style="list-style-type: none"> To promote literacy and numeracy programmes within all communities To support 60% of schools with periodicals by 2022 	<ul style="list-style-type: none"> Provide library and information services at Thusong Centre and Shongoane Provide access to effective library services by visiting schools (awareness on library services) Facilitation of regular library programmes Promoting library services through printed media
Environmental Management	<ul style="list-style-type: none"> To continuously protect health, wellbeing and environment in line with environmental legislation and guidelines 	<ul style="list-style-type: none"> Establish formal environmental education programmes Implementation of the Green Plan (parks) Establish new parks in rural areas Maintain existing parks and stadia Eradicate invasive alien plants to be in line with CARA legislation Liaise with Waterberg District Municipality regarding air quality monitoring
Cemeteries	<ul style="list-style-type: none"> To continuously protect health, wellbeing and environment in line with environmental legislation and guidelines 	<ul style="list-style-type: none"> Maintaining cemeteries both in rural and urban areas Source suitable land for cemeteries construction
Safety and Security	<ul style="list-style-type: none"> To continuously coordinate safety and security in communities 	<ul style="list-style-type: none"> Revive safety and security forums Coordination of safety and security programmes
Road Safety/law enforcement	<ul style="list-style-type: none"> Reduction of Road incidents and fatal Accident 	<ul style="list-style-type: none"> Create a Traffic Warden Unit to enforce Municipal By Laws Conduct joint law enforcement operations with other law enforcement agencies
Waste Management	<ul style="list-style-type: none"> Continuous provision of effective and efficient waste management services in line with environmental legislation Continuously promote waste minimisation, recycling and re-use of waste through separation of waste at source Continuously ensure that people are aware of the impact of waste on the environment and human health Continuously ensure integrated waste planning 	<ul style="list-style-type: none"> Review the Integrated Waste Management Plan Implementation of the waste management strategies Establish secure waste disposal facility Provision of refuse removal service in rural areas Provide adequate refuse receptacles for storage of waste Acquire adequate resources to collect general waste i.e. Roll-on - Roll-off trucks Establish formal waste recycling, minimisation and re-use programmes Establish formal waste education and awareness programme

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
	<ul style="list-style-type: none"> Continuously ensure effective enforcement of the environmental legislation 	
Thusong Centres	<ul style="list-style-type: none"> To bring Government Services and information closer to community 	<ul style="list-style-type: none"> Market and promote Government Services Finalise Lease Agreement between Municipality and other Sector Departments Compile monthly Service Report for the Province and Municipality Draw maintenance plan and ensure continuous maintenance of the premises

Of the fifteen (15) KPIs for Social Services, three (3) exceeded the target, nine (9) achieved target, four (4) did not reach the target.

The **Strategic Management Department** is responsible for strategic planning and provides support to the office of the municipal manager on strategic management issues. The Department has the following units:

- Integrated Development Planning
- Special Programmes (Youth, elderly, disabled, gender and HIV/AIDS)
- Internal and external communication
- Office of the Mayor
- Offices of the Speaker and Chief Whip
- Public Participation
- Performance Management



The key functions of the Department are:

- The management of internal and external communication of the municipality
- The management and coordination of activities and programmes of the Office of the Mayor, Speaker's Office and the Chief Whip
- The coordination of Youth, Elderly, Children, Disabled and Gender activities and programmes
- The coordination of Public Participation and Intergovernmental Relations activities and programmes
- Provide strategic direction to the development and review of credible Integrated Development Plans
- Provision of efficient and effective information and communication technology systems
- Planning and review, monitoring and assessment, reporting and evaluation of municipal performance.

In the day to day activities, the Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
Integrated Development Planning	<ul style="list-style-type: none"> • Credible IDP aligned with the NDP and driving the budget processes 	<ul style="list-style-type: none"> • Capacitate IDP unit with research capacity and innovative thinking • Development of strategic plans with the long term vision in mind • Attendance of sector planning and involving sector departments in municipal planning • Regular public participation, keeping community members informed and involved in planning decisions • Proper project prioritisation based upon NDP, strategic plan and innovation – IDP to inform the budget
Performance Management	<ul style="list-style-type: none"> • Ensure accountability through the implementation of integrated performance management through timely, accurate and validated data for reporting and obtaining unqualified audit opinion 	<ul style="list-style-type: none"> • Implement framework. • Cascade EPM to Manager level • Expand PMS unit
Communication	<ul style="list-style-type: none"> • Prompt, agile and accurate communication to the community through making use of technology 	<ul style="list-style-type: none"> • Develop data base of contact details for all community members. • Development internal and external newsletters. • Capacitate communication unit. • Resource the unit with relevant technology • Update website on monthly basis • Making use of social media to communicate with communities
Public Participation	<ul style="list-style-type: none"> • To ensure continuous community involvement (knowledge is power) 	<ul style="list-style-type: none"> • Development and implementation of public participation policy
Ward Committees	<ul style="list-style-type: none"> • To have fully functional ward committees at all times 	<ul style="list-style-type: none"> • Consultation with CoGHSTA regarding their training plans during budgeting processes • Training of ward Councillors and ward committees • Monitoring and evaluation of the functionality of ward committees by the Speaker
Special Projects	<ul style="list-style-type: none"> • Mainstreaming and empower vulnerable groups such as people with disabilities, children, aged, victims of abuse, youth and HIV/AIDS 	<ul style="list-style-type: none"> • Update database for all vulnerable groups and strengthen existing structures and establish non-existing structures • Create awareness amongst disadvantaged groups on their opportunities, especially on employment equity regarding people with disabilities • Encourage people to declare their status so that they can benefit from preferential opportunities • Conduct an audit of facilities to establish access for disabled people • Partner with Child line in creating awareness regarding child abuse • Embark on awareness campaigns with elderly regarding abuse and safety • Conduct awareness campaigns with young people

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
		<p>regarding employment opportunities, substance abuse, HIV/AIDS, abuse, safety, leadership and moral behaviours in partnership with NPOs and NGOs</p> <ul style="list-style-type: none"> • Conduct research of possible NPOs and NGOs (e.g. Peace Corps) regarding partnerships for awareness campaigns • Visit other municipalities that run successful awareness programmes • Develop and implement an annual programme for special projects • Create opportunities for professional sport stars to emerge and attend sporting events to identify potential stars and invite scouts

Of the eighteen (18) KPIs for Strategic Services Department, one (1) exceeded the target, thirteen (13) achieved target, four (4) did not reach the target.

GENERAL INDICATOR PERFORMANCE:

In terms of Section 43 of the Municipal Systems Act No 32 of 2000 and Section 10 of Regulation 796 of 2001 the General Key Performance Indicators (GKPIs) as these apply to a municipality, should form part of their indicators and need to be reported upon. For Lephalale Local Municipality, the General KPIs, to the extent that these indicators are applicable to the Municipality¹, are being reported on separately. The following observations are made:

Of the fifteen (15) General KPIs that apply to Lephalale Local Municipality, two (2) excelled, eleven (11) achieved target and two (2) did not reach target. Of note is that the financial viability indicators performed exceptionally well, all the indicators related to access to basic and free basic services and spending on the workplace skills plan achieved target. The only two indicators that did not achieve target were that only total of 51% expenditure on all the IDP capital projects, i.e. R47 956 653 spent against the budget of R 97 240 520 (mostly related to projects funded from own capital). The indicator that measures transformation on the first three levels of management was just under target as the positions of the Municipal Manager, Managers Parks and Communications had to be re-advertised thus leading to the lower performance.

CAPITAL PROJECT IMPLEMENTATION:

Capital expenditure has been divided in four types of projects, namely (Own funding, MIG, MWIG and MSIG).

¹ S43 (2) of the Municipal Systems Act no 32 of 2000

Of the 44 projects funded from **Own Capital**, 23 were completed by the end of the financial year, two (2) were delayed and nineteen (19) made minimal progress.

Of the seven (7) projects funded by MIG, six (6) were completed by the end of the financial year and one (1) was delayed.

MWIG, a multi-year project in progress.

Of the five (5) projects funded by MSIG, four (4) were completed by the end of the financial year.

CONCLUSION:

In conclusion, it should be mentioned that the IDP and SDBIP indicators are fully aligned to Council priorities. The Municipality was financial sustainability in the period under review, with the liquidity ratio that stood at 273%, cost coverage at 450%, debt coverage at 1331% as well as the vast improvement on debt collection whereby the debt collection rate stood at 98% at the end of the financial year.

We closed the year with outstanding service debtors to revenue at 33, 62% against a target of 25%.

The municipality is making all efforts to conserve water and electricity usage in their offices and although the replacement of street lights with energy saving LED globes have not been completed, this process is in progress and should be finalised during the next financial year. Efforts are also being made to make use of municipal owned venues for meetings rather than to outsource this function and in the events of having to make use of outside venues, economic options are being utilised in order to save on such costs.

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The powers and functions that are performed by local authorities in South Africa are defined primarily in section 156 and 229 of the constitution (Act 108 of 1996). Section 156 states that the Municipality has executive authority in respect of, and has the right to administer the following areas: Lephalale Local Municipality reviewed its organizational structure in the year 2010 to respond closely to its mandate, as well as how the municipality has organized its resources and competencies, for the purpose of delivering on core responsibilities.

The powers and functions are as follows:

Function	Authority	Capacity	Personnel	Department	Budget	Comments
Air pollution	No	Limited	0	Social services	No	District function.
Building regulation	Yes	Yes	5	Development Planning	Yes	Municipality has capacity and budget, function performed by building control & LED
Bulk supply of Electricity	Yes	Yes	39	Infrastructure services	Yes	Municipality provides electricity in urban area and eastern part of Lephalale town
Fire fighting	No	No	11	Social services	Yes	District function performed by the

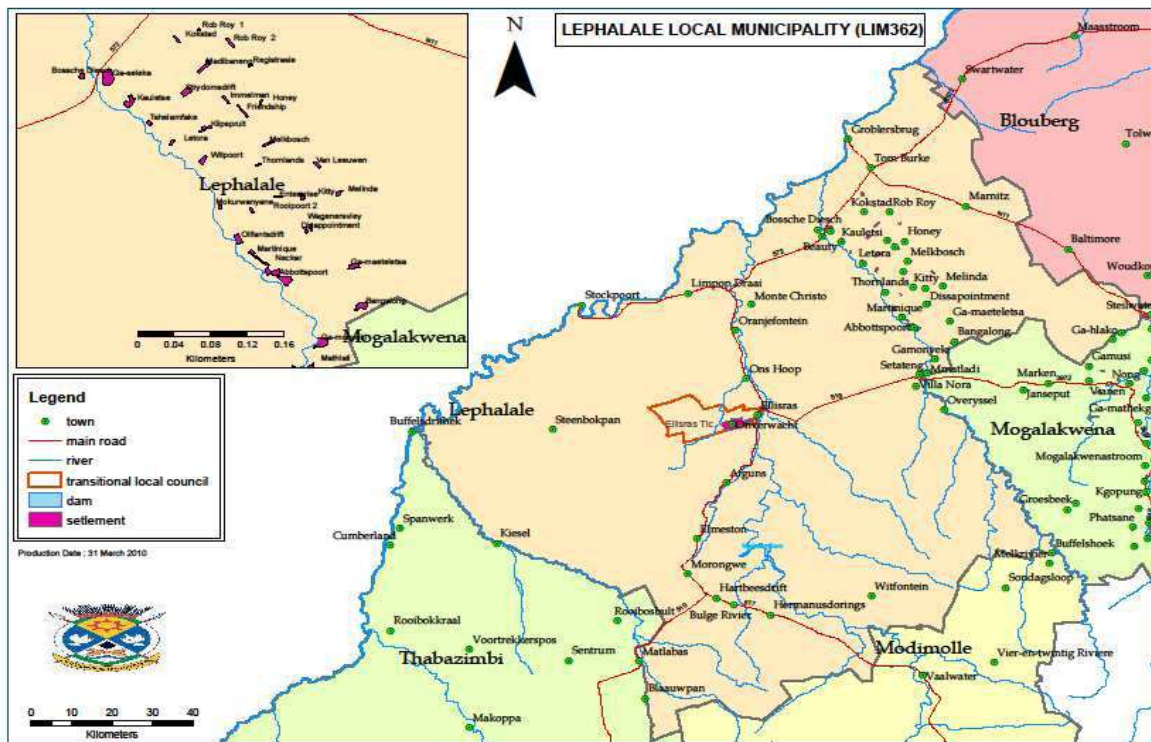
Function	Authority	Capacity	Personnel	Department	Budget	Comments
						municipality as agent of WDM.
Local tourism & LED	Yes	Yes	1	Development planning	Yes	Perform function in collaboration with local tourism association
Municipal planning	Yes	Yes	3	Development planning	Yes	With spatial development and land use and building control
Municipal health services	No	No	N/A	Department of health & social development	N/A	District function.
Municipal public transport	Yes	Limited	1	Social services	No	Municipality is currently responsible for coordination of transport related activities.
Municipal roads and storm water	Yes	Yes	42	Infrastructure services	Yes	Municipality only responsible for access roads and still waiting for road classification
Trading regulation	Yes	No	No	Function not performed	No	The function is performed by LEDET.
Bulk supply of water	Yes	Yes	44	Infrastructure services	Yes	Municipality only provides water for residential areas and small, medium business
Sanitation	Yes	Yes	36	Infrastructure services	Yes	Function performed through infrastructure services
Billboards & the display	Yes	Yes	11	Development planning	Yes	Function performed by the Municipality
Cemetery, funeral parlours & crematoria	Yes	Yes	9	Social services	Yes	Rendered through social services in urban areas and Steenbok pan
Street cleansing	Yes	Yes	18	Social services	Yes	Rendered through social services
Control of public nuisance	Yes	Yes	11	Social services	Yes	Function performed in collaboration with SAPS
Control of undertakings that sell liquor to the public	Yes	No	N/A	LEDET	No	LEDET
Licensing & undertakings	Yes	No	N/A	WDM function	No	Function performed by WDM.

Function	Authority	Capacity	Personnel	Department	Budget	Comments
to sell food to the public						
Municipal parks & recreation	Yes	Yes	40	Social services	Yes	Function performed through social services
Noise pollution	Yes	No	8	Social services	Yes	Function performed by the Municipality.
Refuse removal, refuse dump & solid waste disposal	Yes	Yes	35	Social service	Yes	Service available in urban areas only. In rural areas only cleaning campaigns embarked upon on interval.
Street trading	Yes	Yes	11	Social services	Yes	Function performed.
Traffic and parking	Yes	Yes	11	Social services	Yes	Performed by social services
Occupational health & safety	Yes	Yes	1	Corporate services	Yes	Performed by Corporate Services

Additional Functions Performed						
Housing	No	Yes	6	Coghsta	Yes	Coghsta, with the support from the Municipality.
Library, Arts & Culture	No	Yes	13	Social services& D SA&C	Yes	Department of sport, arts & culture with the municipality as per agreement.
Registering Authority	No	Yes	11	Department of Transport & Social services	Yes	Department of Transport with the municipality as per agreement.

The Municipality is located in the north western part of the Waterberg District of Limpopo Province of the Republic of South Africa. It borders with four local municipalities (Blouberg, Modimolle, Mogalakwena and Thabazimbi). Its north-western border is also part of the international border between South Africa and Botswana. The Lephalale municipality is the biggest municipality in the Limpopo province (covering 14 000km²). The town of Lephalale is located a mere 280 km from Tshwane and is a recognized gateway to Botswana and other Southern African Countries. The town Lephalale (Ellisras/Onverwacht/Marapong) is located approximately 40 km from the border of Botswana. It is situated between 23°30' and 24°00' south latitude 27°30' and 28°00' east longitude.

BACKGROUND DATA



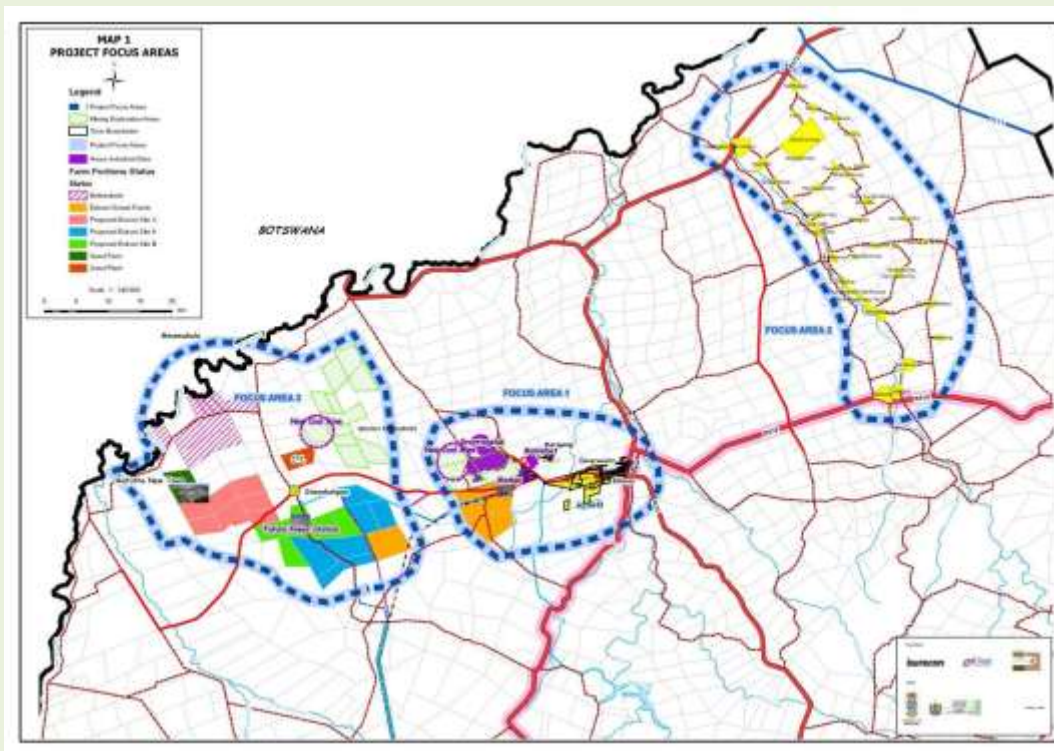
Lephalale Municipal area's contribution of mining to GDP is significant at 59.21%. Electricity contributes 11.33% to the GDP and its contribution to the Waterberg electricity sector is at 69.65%. Other sectors that have a significant contribution to the Waterberg GDP per sector include agriculture, mining, and manufacturing. Agriculture (38.85%) is the sector that employs the largest part of the workforce and is followed by community services (15.71%).

Nestled at the spur of the Waterberg Mountains, Lephalale is a place of peace and breath-taking beauty. As part of the Waterberg biosphere, Lephalale area is richly blessed with pristine natural beauty and an abundance of fauna and flora. Lephalale offers an infinite variety of scenic contrasts and encompass the unique Waterberg wilderness with its extraordinary beauty which boasts superb vistas, mountain gorges, clear streams and rolling hills. Rich in geological sites and rock art is a strong draw-card for the region, suggesting its links to many previous generations.

Hence, the importance of the tourism industry to the economy of the area as it is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to any expansion of the industrial operations and the related business tourism. Agriculture, red meat and crop farming is one the potential economic activities which is likely to grow in the municipal area. Lephalale Local municipality has been blessed with natural resources that give it a competitive and comparative advantage in Mining, Energy, Tourism and Agriculture.

Both social infrastructure and economic infrastructure indicators show that much must still be done to improve the quality of life of the people of Lephalale. Communities are still experiencing a considerable level of unemployment, high level of illiteracy rate, HIV/AIDS and related problems.

Growth Points:



DEMOGRAPHICS

Municipal population according to the official census of 2001 was 96 102 people, comprising of 23 403 households. At that stage the average household size was 4.1 persons. Demographic analysis of Lephalale local Municipality, and studies conducted by the Department of Water Affairs (DWS) in the past on the basis of the 2001 data, census for water service planning purpose suggested a population increase, considerably higher than the provincial population growth rate of 0.94% per year, because of the local economic growth that attracted workers from other places across the country. Population growth within Lephalale Town node is among the highest in Limpopo and reflects the influx of people to work on the power station construction and the mine expansion projects.

According to official census of 2001 and 2011 the household in Lephalale have increased from 23 403 with an average household size of 3.5 in 2001 to 29 880 household in 2011 reflecting a household size of 3.9. The recent census indicate a 35.8 % population increase in Lephalale Municipality against the Waterberg district population of 679 336 for the past ten years which, is phenomenally massive and require well thought strategic intervention by all spheres of government including private sector. The Stats SA census, estimate population of Lephalale Municipality is 115 996 for 2011 which represent an increase of 35.8% compared to 2001 census.

Table 1.5 Age and gender profile.

Age group	0-4	5 - 9	10 - 14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+	Total
Male	6038	4743	4577	5164	8576	8910	6363	4540	3360	2997	2541	1848	1252	620	562	705	62819
Female	5844	4726	4416	4905	6375	5717	4132	3526	2807	2687	2032	1639	1240	873	748	1284	52949
Total	11882	9469	8993	10049	14951	14627	10495	8066	6167	5684	4573	3487	2492	1493	1310	1989	115768
Percentage	10.2%	8.1%	7.7%	8.7%	12.9%	12.6%	9%	6.9%	5.3%	4.9%	3.9%	3%	2.1%	1.2%	1.1%	1.7%	100%

Source: Statssa

According to the census 2011 information young people between the age group of 15-34 represents majority of the total population within the Municipal area at 43.4%. Compared to a female dominance of 54% for Limpopo province Lephalale Municipality, according to Statssa information has a male dominance of more than 54%. This can be attributed to the high incidence of contract workers and male professionals coming into the Municipality in pursued of economic opportunities. The municipality has a dependency rate of 43.5% (= <15 year and 65+) and approximately 12 234 households depend on free basic service. Almost 67% of the population is of working age (between 15 and 59 years old). Unemployment amongst the youth is currently at 27% and needs urgent attention. Majority of the population (38.34%) lives under the breadline (earn less than R14 600 per year).

Source: Statssa

POPULATION TRENDS		
2001	2011	%Change
85 272	115 996	35.8

Table 1.6 Annual household incomes (2011)

Income category in R'	Mid-point of income	No of households	Cum no of households	Cum no of HH as % of total HH	Total income in category	Cumulative income
No income	0	3 745	3 745	12.53%	0	0
1 – 4800	2400.5	958	4 703	15.74%	2299679	2299679
4801 -9600	7200.5	1 876	6 579	22.02%	13508138	15807817
9601 – 19600	14600.5	4 876	11 455	38.34%	71192038	86999855
19601 – 38200	28900.5	6 046	17 501	58.58%	174732423	261732278
38201 – 76400	57300.5	4 608	22 109	74.00%	264040704	525772982
76401 – 153800	115100.5	3 354	25 463	85.23%	386047077	911820059
153801 – 307600	230700.5	2 358	27 821	93.12%	543991779	1455811838
307601 – 614400	461000.5	1 417	29238	97.86%	6532377085	2109049547
614401 – 1 228800	921400.5	445	29 683	99.35%	4100232225	2519072769
1 228801 – 2 457600	1843200.5	126	29809	99.77%	232243263	2751316032
2 457601 or more	3686401.0	68	29877	100.00%	250675268	3001991300
Unspecified		3				

Source: Statssa

Table 1.7 Employment profile - Unemployment rates (Population of working age (15-65) by employment status)

Unemployed	10 100	Total Unemployed	11 665
Discouraged work-seeker	1 565	Unemployment rate	22.2%
Other not economically active	33 699		
Employed	35 327		
Total Population	80 691		

Source: Statssa

Table 1.8. Highest education level

YEAR	1996	2001	2011
No schooling	10 479	10 905	6 684
Some Primary	6 860	9 661	8 650
Completed Primary	2 666	3 228	3 391
Some Secondary	10 063	12 111	24 951
Grade12/Grade 10	4 477	6 159	16 579
Higher	2 059	2 764	7 160

Source: Statssa

The tables above represent the levels of education for the population in Lephalale between the years 1996 and 2011, particularly after the census. The employment and income levels are represented in the first two tables. 1, 6 and 1, 7 a significant change and growth due to economic activities in Lephalale Municipality.

The majority of the households in the low income levels are located in the rural areas. There is a definite increase in households in urban areas with low levels of income. It has a direct bearing to the level of services, which can be afforded by people in both urban and rural areas.

Review of Neighbourhoods within Lephalale Municipality		
Settlement Type	Households	Population
Towns/townships and Big Villages		
Lephalale/Onverwacht and Marapong	13450	37213
Thabo Mbeki	1300	4300
Seleka	2798	13800
Shongoane	3395	14700
Townships		
Onverwacht / Lephalale		
Marapong		
Thabo Mbeki		
Sub-Total		
Rural settlements		
31 rural villages	7013	33600
Seleka 3 villages		
Shongoane 4 villages		
Informal settlements		
Farms	800	8783
Informal settlements	1124	3600
Total	29880	115 996

The Municipality consists of 4 proclaimed townships and 38 villages and a number of service points and farm areas. All the townships are located around Lephalale town with the exception of Thabo-Mbeki which is about 85km away in the north eastern site in the location of the rural villages. The rural villages cover a range of about 600 km² scattered, settlements in a leaner pattern along the D3110 road. The three population growth points are located in Setateng, Seleka and Thabo-Mbeki area.

The presence of huge coal reserves in Lephalale is the main reason for the expected development and upswing in the economy and the resultant growth in population.

Natural Resources	
Major Natural Resource	Relevance to Community
Coal and other Minerals	Mining and Energy production
Agricultural Arable land and the Bush veld	Commercial Farming and tourism
Rivers	Mining and irrigation schemes
Waterberg Valleys	Tourism

Lephalale Municipality is currently an economical growth point in whole country because of the high density of coal deposit and other minerals. The construction of coal fired power stations and the possibility of a petro-Chemical plant being built here changes the demographics overnight. There is a high influx of people from other parts of the country looking for job opportunities as a result the consumer market is increased. The challenge is the growth in size of the municipality and the population seeking basic services. The mushrooming of informal settlements by those looking for job opportunities is one of the challenges.

The main mineral resource is coal and there is a possibility of new mining opportunities. Coal mining companies has done prospecting and feasibility studies for coal mining. This could bring new opportunities for the local community and new service delivery challenges for the municipality. The following companies were granted mining rights: Boikarabelo, Temo, Sekoko, Affrimat Aggregates Mine and Ferrum Crescent .

Game farming and Agriculture are some the main pillars of economic activities in Lephalale both crop farming and tourism makes a significant contribution in to the local economy. The influx of people who are migrant workers from other provinces created a fair share market for food products from the farming community in Lephalale thus the sector has grown. The hospitality business has experienced a good growth as well.

1.3 SERVICE DELIVERY OVERVIEW

A full range of services are provided by the municipality through the various Departments. The Lephalale Municipality as a Water Service Authority has a duty to all customers and potential customers within its area of jurisdiction to progressively ensure efficient, affordable, economic and sustainable access to water in terms of section 11 of the Water Services Act of 1997. The Municipality has a constitutional obligation to provide basic water to an estimated population of 115 996 living within urban, peri-urban and rural areas.

Water supply for the urban area is sourced from Mokolo Dam to Zeeland Water Purification plant. The supply, as well as maintenance of the dam (as agent of DWS) is done by Grootegeeluk coal mine. In the case of Marapong township, which is situated near the mine/power station, purified water to Marapong Community is purified and supplied by Matimba Power Station. Even though the municipality has benefited to date from the investments made by Exxaro and Matimba there is a concern that there is no sufficient water supply. In considering the long term development implications, the Municipality should consider owning the infrastructure required to provide water and sanitation services.

The Department of Water and Sanitation (DWS) appointed consultants to investigate alternative solutions for provision of water to the Lephalale node area 1 as a result of the development potential of the municipality. Based on water infrastructure, the current water availability and water use allows only limited spare yield existing for future allocations for the anticipated surge in economic development in the area. DWS commissioned the Mokolo- Crocodile (West) Water Augmentation project (MCWAP) to

analyse the options for transferring water from the Crocodile River (West) with the intention to implement the project in two phases; “Augmentation of the supply from Mokolo Dam” and “transfer water from the Crocodile River (West) to the Lephalale area”. The MCWAP phase 1 is currently in progress.

The rural areas all obtain their water from ground water sources (about 85% from boreholes and 15% from well field type boreholes in the riverbed alluvium). The four water sub schemes serve approximately 38 villages through a network of approximately 138 boreholes, which are all owned and operated by the municipality. The ground water from the boreholes is generally low due to poor yields and unsatisfactory water quality (class 3 or 4); however this does not necessarily pose a health risk to communities. Water from the well field type boreholes has however higher yields and acceptable quality. The municipality has commissioned a study on water volumes provided to rural villages.

In Lephalale, one-third of households do not have access to water in the dwelling or yard, but have to make use of community stand pipes. In Marapong this figure is somewhat lower (20% of households make use of community stand pipes) more than half of the households have access to water inside their dwelling. In ward 3 and town Lephalale, approximately 75% of households have access to water inside their dwelling, while 20% have a tap in the yard. The remainder makes use of community stand pipes.

In relation to sanitation, the land on which Lephalale town is situated is relatively flat. Sewers are installed on slopes exceeding the slope of the natural ground level and over relatively short distances become so deep that it must be pumped. Presently there are 38 pump stations in Onverwacht and Ellisras. All land around the developed areas is privately owned. The township layouts will be prepared by or on behalf of the land owners and the design of sewerage infrastructure will be carried out by their consultants. The requirements with regard to the placement and sizing of pump stations will be the product of the planning and design work undertaken by these developers. For these reasons it is believed that each developer should be responsible for the installation of any sewage pump station(s) and pump line(s) that he may require. Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works. The treatment works has been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML.

Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadja coal (PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale town has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d waste water treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached and a consulting engineering firm was appointed to do a feasibility study. Sanitation in the rural areas consists of informal pit latrine structures or Ventilated Improved Pit Latrine. It is estimated that 6.1% of the households have no sanitation service. There is no waterborne sanitation in the rural area. The sanitation level of service varies from no service to basic level of service. Approximately 15381 households will require an improved sanitation system. The sanitation in Thabo-Mbeki and Thabo-Mbeki Ext 1 is mostly septic tanks with French drains. The Central Business District has access to full waterborne sanitation systems that drain into oxidation ponds which have currently reached maximum capacity.

More than 5% of households in the municipality are without hygienic toilets. Sanitation backlog is estimated at 1589 units mostly in the farms and rural village.

Lephalale Municipality is an electricity provider and has an electrical reticulation network supplying electricity to Onverwacht and the eastern region of Lephalale. The Lephalale electricity network is supplied from Eskom at 11kV via the Lephalale Main Substation next to the Onverwacht area. The Eskom supply is generated at Matimba Power Station and fed via the Matimba Substation at 132kV. The Matimba Substation feeds the Eskom Waterberg Substation (Lephalale) where it is stepped down from 132kV to 33kV. Waterberg Substation has two 132kV/33kV transformers. From Waterberg Substation the power is fed via two Wolf conductor lines (approximately 8km each) to the main substation, at Lephalale. The substation has both an Eskom section with three 33kV/11kV 10MVA transformers and a municipal distribution substation from where the primary feeders are fed into the Lephalale network. We are still waiting for allocation of extra 5MVA to make a firm 35MVA.

For the area surrounding Lephalale town for which Eskom holds the supply license the load growth could be as high as 5 MVA per year for the next few years. In line with the expected load growth different scenarios will be proposed to upgrade the network. The rural villages, farm areas and Marapong are Eskom distribution area. The Villa Nora and Tom burke substations will require an additional 20MVA capacity for the next few years.

The indigent register is updated on annual basis and in the previous year about 1470 indigents was registered; all the indigents registered received basic services for free in accordance with the set standards.

Despite many challenges, the level of service delivery is improving year by year and the amount of residents who have access to basic services continues to grow.

The Annual Performance Report shows that the Municipality as a Water Services Authority (WSA) managed to eradicate the back log on all formal settlements. Approximately 28 208 households have access to basic level of water.

This means that in terms of national standards, the majority of people residing in formal or proclaimed settlements have access to basic and high level water supply.

In some instances the Municipality has provided potable water tankers and drilled boreholes to ensure that all households have water at least within the radius 200m of each dwelling. There are however still many challenges as the town grows at a rapid pace and informal settlements mushroom around town. New extensions and farm dwellers on private land also pose a challenge when it comes to water supply.

A total number of 13 652 urban households are receiving waste removal services on weekly basis and approximately 6 759 households at rural villages has access to communal Waste removal services. This equates to a total of 20 411 households receiving basic level waste removal from total number of 29 880 households within Lephalale Municipality. The waste removal services are provided at the following villages namely:

Setateng

Mmatladi

Ga-Monyeki

Mokuruanyane

Ga-Seleka

A total number of 1 289 jobs were created through EPWP Waste programmes for the year.

A total of 92% of households within the municipal area have access to basic level of electricity. The mandate to provide electricity in rural areas currently lies with Eskom. A total of 912 smart meters were installed.

A total of 28 106 households have at least basic level of sanitation i.e. Ventilated Improved Pit latrines (VIP) or higher level.

All the internal access roads/ streets within the 38 villages were bladed.

On the sports and recreation facilities, Ga-Seleka Stadium and Thabo Mbeki Stadium were upgraded and Sefitlhogo Community Park was constructed and handed over to the Community.

A total number of 1 470 households have been registered as indigents and all are receiving free basic services.

Lephalale Municipality remains committed to rural development and the provision of quality, sustainable and affordable services and will continue to do so with the aim to more effectively serve the Lephalale community.

Public Participation: Our Municipality follows a development-communication approach, which means that our public participation programmes are responsive to the needs of the community within the context of government's mandated programme to improve lives of all community members. A total number of 3 IDP road shows were held at Morwe village, Mongalo village and Lephalale town

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

In the light of the actual and potential development challenges the Municipality reviews its organizational structure in order that the structure should reflect how the municipality has organized its resources and competencies for the purpose of delivering on core responsibilities. The political structure consists of Council and the executive committee. The administration consists of the office of the Municipal Manager and six departments: Corporate Service, Budget & Treasury, Development Planning, Infrastructure Services, Social Services and Strategic Management.

Current institutional capacity constraints within Lephalale municipality will impede the achievement of development targets for the Limpopo Coal and Petrochemical cluster. The most critical constraints in the context of the cluster are in planning and technical services.

The turnover rate is less than 5 % from an organizational structure of 516; the total number of filled post was 458 which include interns. One percent of the total budget was spent on work skills development.

1.5 FINANCIAL HEALTH OVERVIEW

The excellent performance in relation to the main financial ratios that measures the financial viability of a municipality shows that the municipality's is financially healthy. The Municipality was financial sustainability in the period under review, with the liquidity ratio that stood at 273%, cost coverage at 450%, debt coverage at 1331% as well as the vast improvement on debt collection whereby the debt collection rate stood at 98% at the end of the financial year.

We closed the year with outstanding service debtors to revenue at 33, 62% against a target of 25%.

Operating Ratios	
Detail	%
Employee cost	32.35%
Repairs & maintenance	6.51%
Finance charge & impairment	3.72%

COMMENT ON OPERATING RATIOS:

Employee cost is inclusive of Councillors remunerations is equal to R135 518 000 versus the total operating expenditure of R428 195 000. Repairs and maintenance total cost is R27 264 000 and the finances charges are R15 593 000 from the total operating expenditure of R418 889 616.

TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure:Year-2 To Year 0				
	2014/15	2013/14	2012/13	R'000
Detail	Year-2	Year-1	Year0	
Original budget	R97 240 520	R70 997 600	76 874	
Adjustment budget	R90 240 520	R131 157 400	117 563	
Actual	R52 697 421	96 888 492	47 823	
	58%	74 %	40%	

COMMENT ON CAPITAL EXPENDITURE:

There is decline on capital expenditure as compared to the past financial year. The implementation of forward planning on MIG projects has resulted with an improvement on MIG projects from 86% in the 2013/14 to 100% in 2014/15 financial year.

The Bid specification', Bid Evaluation and Bid Adjudication's committees were established in the financial year, the established SCM committees were fully functional in the 2014/15 financial year.

1.6 AUDITOR GENERAL REPORT

For the 2014/15 financial year, the municipality obtained an unqualified audit opinion. The opinion on predetermined objectives has regressed from unqualified to qualified. The audit queries have increased from 45 in the 2013/14 financial year to 96 in the 2014/15 financial year.

The municipality has compiled an action plan to address all the audit findings and improve its internal controls to maintain the current audit opinion.

1.7 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 the 4th quarter Report for previous financial year	
4	Submit draft year 0 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
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	

18	Oversight report is submitted to relevant provincial Council s	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
<i>T 1.7.1</i>		

1.8 RISK ASSESMENT

The following are the top identified 5 risks for Lephalale for Lephalale Municipality. The table below illustrates the top 5 risks, the root causes and mitigating factors.

RISKS	ROOT CAUSES	MITIGATION MEASURES
1. IT disruption and loss of information	1.Unserviced UPS 2.Data losses due to unexpected power outages	Servicing of the UPS
2.Inability to reduce municipal debts account	1. Poor implementation of credit control and debt collection policy	Debt Collector appointed. Prepaid electric meters installation in progress
3. Inaccurate Billing of customers and Financial Reporting	Incorrect Meter readings	Consultants appointed for data cleansing
4 .Illegal occupation of parks and other recreational facilities	Unauthorised access and lack of protection services	Control access to all municipal spaces and rein fencing of parks and empty spaces
5.Inaccurate reporting of performance information	Producing Performance reports without portfolio of evidence	Distribution of Submission timeframe of actual performance information, portfolio of evidence and timeouts quarterly reporting.

1.9 CHANGE OF MANAGEMENT

In 2014/15 administration leadership has not been stable, whereby three (3) Executive Managers acted on the position of the Accounting Officer, on a rotational basis after the resignation of the Municipal Manager.

CHAPTER 2 – GOVERNANCE

Lephalale Local Municipality is a category B type of local governance. The Municipal Council and the executive committee members are elected in accordance with the Municipal Structures Act. The Council is constituted by 24 seats.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution S151 (3) states that the Council of a municipality has the right to govern on its own initiative, the local government affairs of its community subject to national and provincial legislation.

The Municipality complies with the Municipal Structures Act, in terms of category B. The municipality has established its Executive Committee chaired by the Mayor, section 79 and 80 committees to ensure effective execution of its functions. The municipal Council has political clusters with chairpersons. The head of administration is the municipal manager who is the accounting officer.

2.1 POLITICAL GOVERNANCE

MFMA S52 (a) states: The Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality.

The EXCO is established to assist Mayor with his/her functions. Each member of the EXCO is also a chairperson of a cluster committee. The following are the different clusters: Finance and Economic Development, Administration and Governance, Municipal Services and Community Development.

The Oversight committee and the Performance Audit Committee have also been established. This committee is highly functional and held 7 seven meetings in the previous financial year 2014/15, the details of the functions are outlined in the report of audit committee chairperson which is appendix G of this report.

The Municipal Public Accounts Committee (MPAC) has been established and held regular meetings. MPAC held 6 meeting in the 2014/15 financial year.



MAYOR

MJ Maeko



SPEAKER

MR Boloka



CHIEF WHIP

KR Molokomme

Executive Committee:

**Cllr. MJ Maeko (Mayor), Budget and Economic Development
Governance and Administration)**

Cllr RM Moatshe (Cluster: Planning and Development services)

Cllr W. Motlokwa (Cluster : Municipal Infrastructure Services)

Cllr. AE Basson (Cluster: Social Services)

<u>Ward Councillors:</u>	<u>PR Councillors:</u>
Ward 1 Mr WM MOTLOKWA (ANC)	PR1 Mr MJ MAEKO(ANC)
Ward 2 Ms GB KOADI (ANC)	PR 2Ms MR BOLOKA(ANC)
Ward 3 Mr F MAGWAI(ANC)	PR 3Ms KR MOLOKOMME(ANC)
Ward 4 S.M NIEWOUDT (DA)	PR 4 Ms SHONGWE LM(ANC)
Ward 5 Ms M.J MOJELA(ANC)	PR 5Mr DINALE ME(ANC)
Ward 6 Ms P. NGOAKO (ANC)	PR 6Ms RM MOATSHE(ANC)
Ward 7 Mr JA MOGOASA(ANC)	PR 7Ms ME MAISELA(ANC)
Ward 8 Ms MJ SELOKELA(ANC)	PR 8 Ms M J MONYEMORATHO(ANC)
Ward 9 A. THULARE (ANC)	PR 9Mr MJ MARAKALALA(ANC)
Ward 10 Ms C MATSHABA(ANC)	PR 10 Ms AE BASSON(DA)
Ward 11 Mr NJ MOTEBELE(ANC)	PR 11Mr LS MANAMELA (DA)
Ward 12 Ms P MOLEKWA(ANC)	PR 12 Ms SJ PELOTONA(COPE)

COUNCILLORS:

The total number of Councillors is 24, half of whom are ward Councillors and the others are party proportional representatives. The names and distinctions are mentioned in the above table 2.1.1. The speaker Ms. M.R. Boloka is the chairperson of Council. Out of the total of 24 Councillors 9 are male and 15 female. The Council comprises of 20 Councillors from the ANC, 3 Councillors from DA and 01 Councillor from COPE.

POLITICAL DECISION-TAKING

Council is scheduled to meet at least four times per year and it is the highest decision making body in terms of governance in the municipal area. In this financial year 18 Council meetings were held of which 10 were ordinary and 8 were special Council meetings. The executive committee meets on monthly basis and it delegates part of its authority to certain committees and to the Accounting Officer.

The Council has established section 79 and 80 committees, for the effective and efficient functioning of the Council.

A functional Mayoral Planning Committee was established by the Council, four executive clusters were established namely, Budget and Economic Development, Governance and Administration; Planning and development; Municipal Infrastructure Services and Social Services.

Dates for 2014/15 Financial Year	Ordinary EXCO and Dates	Ordinary Council Meeting and Dates	Special EXCO and Date	Special Council and Dates
29 July 2014	1	1	0	0
13 August 2014	0	0	1	1
01 September 2014	1	1	0	0
02 October 2014	1	1		
10 October 2014	0	0	1	1
13 October 2014			1	1
15 October 2014				1
04 November 2014	1	1	0	0
18 December 2014	1	1		
20 Jan 2015			1	1
27 Jan 2015	1	1		
27 Feb 2015	1	1		
11 March 2015			1	1
30 March 2015	1	1		
02 April 2015			1	1
29 May 2015			1	1
02 June 2015	1	1		
30 June 2015	1	1		
Totals	10	10	8	8

2.2 ADMINISTRATIVE GOVERNANCE

MFMA S60 (b) states: The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In 2014/15 administration leadership has not been stable, whereby three (3) Executive Managers acted on the position of the Accounting Officer, on a rotational basis after the resignation of the Municipal Manager. In that year two senior management positions became vacant due to resignations of the Municipal Manager and Executive Manager Corporate Support Services.

The table below illustrates the senior management and the summary of their function as per their Departments:

TOP ADMINISTRATIVE STRUCTURE:

TIERS	FUNCTION
TIER 1	
MUNICIPAL MANAGER (VACANT)	Strategic Support, Liaise and advice Political Structures, Internal Audit, risk management and manage Administration.
TIER 2	
EXECUTIVE MANAGER: STRATEGIC MR K S MOTEBELE	Overall management of offices for Mayor, Speaker and Chief whip, Responsible for correspondences from these offices. Deals with Public participation, intergovernmental co-operative governance, IDP, Communication and Performance Management.
CHIEF FINANCIAL OFFICER MR. N C LEKAKA	Budget compilation and control, Debtor management (Credit Control, Debt collection), Accounting Services (Cash flow management, Cost, etc.), Treasury management (Loans, Investments), Inventory (Procurement & Provisioning).
EXECUTIVE MANAGER: SOCIAL SERVICES MR. L S THOBANE	Recreational facilities; Solid Waste Management; Environmental Management; Housing; Library, Arts and Culture; Safety and Security; Fire and Rescue Services; Disaster Management; Traffic Control; Licensing Authority.
EXECUTIVE MANAGER: CORPORATE SUPPORT SERVICES ADV. M MAKGATO	Administrative Support; Legal and Secretariat; Human Resources and ICT.
EXECUTIVE MANAGER: INFRASTRUCTURE SERVICES MR. LK TLHAKO	Water services; Electrical services; Sanitation services; Public Works; Roads and Storm water; Municipal Workshop.
EXECUTIVE MANAGER: DEVELOPMENT PLANNING SERVICES MS. EM TUKAKGOMO	LED, Spatial and Land Use Management; Tourism, Marketing and International Relations and Building Control.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Lephalale Local Municipality participates in the following forums for intergovernmental relations, the Premier/ Mayor's forum and the Municipal Manager's forum. The IDP and PMS Units are participating in the Provincial forum and district municipality's forum, these forums includes sector departments operating at the grass roots and at community level.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Besides Provincial forums attended by both officials and politicians, there are formal intergovernmental structures dealing directly with the national government. Interaction between national government and municipality is done through the Provincial forums. These are: the Provincial IDP forum, Premier's *Lekgotla*, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by CoGHSTA Department.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial IDP forum, Premier's *Lekgotla*, Premier's Monitoring and Evaluation forum and the Monitoring and Evaluation Forum by CoGHSTA Department. The department assisted the municipality with the implementation of the PMS at municipal level and the establishment of credible IDP and SDBIP. The department further established municipal manager's forum and cascaded to district level. Provincial Treasury established a forum for Chief Financial Officers (CFO's Forum) where budgeting and financial reporting is streamlined hence developments such as MSCOA for the future. The Internal Auditor and Risk Officers' forum are also platforms where spheres of government interact to improve and align services.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Waterberg District Municipality co-ordinates service delivery in local municipalities the similar forums attended at provincial level are hosted at district level. Lephalale municipality is benefitting from attending the District Monitoring and Evaluation forum. The Mayor's forum and the Municipal Managers forum are also beneficial in terms of planning and execution of the functions of the municipality.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The MSA S17 (2) requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality has established the Municipal Public Accounts Committee (MPAC) and this committee meets regularly to scrutinize reports and make recommendations to Council. The Committee reviews the annual report, AG action plan, oversee the implementation of the projects and matters referred by Council.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Lephalale Local Municipality has an internal newsletter which is published from the Office of the Municipal Manager. In the 2014/15 financial year the Communication strategy was not adopted by Council, however the office of the Mayor through the communications and public participation units outlined how communication and dissemination of government information is to be accomplished.

Apart from the formal administrative meetings like the IDP/PMS forums, the Mayor and Councillors engagements on community outreach programs, like Imbizo and commemoration of significant dates on the calendar.

The table below shows the list of the public participation engagements throughout the 2014/15 financial year.

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/BUDGET ROADSHOW (Morwe Village Ward 11)	05/05/2015	20	36	800	Service delivery issues.	Yes	N/A
IDP/BUDGET ROADSHOW (Mongalo village Ward 8)	07/05/2015	19	34	1250	Service delivery issues	Yes	N/A
IDP/BUDGET ROADSHOW (Living Letters Church Ward4)	09/05/2015	15	26	1000	Service delivery issues	Yes	N/A
SPORTS INDABA	07 Aug 2014	13	14	300	Registration of sports Council s		
WOMEN'S MONTH CELEBRATION	17 August 2014	18	6	500	Women in business		

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Arts and Culture Council (Shongoane)	31 Oct 2014	16	10	350		Yes	N/A
Community consultative Meeting(Hlaga la Kwena village)	21 Nov 2014	14	12	600	Access to housing and basis services	Yes	N/A
Community consultative meeting(Tlapaleborethe	21 November 2014	18	16	600	Water and Roads services	No	N/A
Consultation with Youth Structures for EPWP	26 Nov 2014	16	14	400	Jobs and business opportunities	Not All issues	N/A
Public Participation meeting(Shongoane)	06 December 2014	19	16	700	Electricity and Water Services	Yes	N/A
Community Outreach (Kopanong and Mongalo)	18 December 2014	16	20	1050	Water and roads	Yes	N/A
Lephalale Disability Forum(Onverwacht	13 Jan 2015	13	6	80	Establishment of the disability structure		
Back To School Campaign(Diammona High School)	15 January 2015	18	5	1200	Scholar Transport		
Local Aids Council nominations(S eleka)	28 Feb 2015	16	10	300		No	N/A
Arts and Culture Indaba (Thabo Mbeki)	04 March 2015	14	8	400	N/A	N/A	N/A
Community consultative meeting	17 May 2015	18	7	640	Basic Services and Job creation	N/A	

Public Meetings							
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issues raised by community	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Senior Citizen imbizo(Kitty)	05 June 2015	15	11	600	N/A	N/A	N/A
Senior Citizen imbizo(Kopano ng)	20 June 2015	19	12	600	N/A	N/A	N/A

From the entire public participation engagement held, the municipality was able to identify and prioritize the projects to address the identified community needs which led to the development of key performance strategies and objectives with targets. This was also done through the IDP/Budget, PMS forums and road shows.

WARD COMMITTEES

Ward committees are community coordinating structures and are assisting the ward Councillors in their functions in their respective wards. Ward committees are the key structures to community participation and representation. These are legislatively chaired by the ward Councillors and serves as the link between Councillors and Community.

Twelve Ward committees were established in the financial year 2010/11 at the beginning of the 5year political circle of Council and for previous financial year 2014/15 only 11 ward committees were functional. Most of the committees managed to hold monthly meetings every month and quarterly public meetings were held successfully.

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
* Section 26 Municipal Systems Act 2000	

The current IDP document, which reviewed for the next financial year 2015/16, is aligned to strategic objectives towards the vision of Lephalale Municipality. The SDBIP is derived from the IDP and all the Performance plans for Sec 57 contracts with Key Performance Indicators.

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

The Accounting Officer must ensure that the Municipality has and maintains effective, efficient and transparent system of financial, risk management and internal control.

Risk Management is a valuable management tool which increases an institution's prospects of success through minimizing negative outcomes and optimizing opportunities.

The Risk committee has been established and 3 risk committee meetings were held in the 2014/15 financial year. The meeting for both quarter 2 & 3 were combined to one meeting.

Lephalale Municipality Management had a risk identification session whereby all risks affecting the municipality were identified.

Below are the top 5 risks of the Municipality:

RISKS	ROOT CAUSES	MITIGATION MEASURES
1. IT disruption and loss of information	1.Unserviced UPS 2.Data losses due to unexpected power outages	Servicing of the UPS
2.Inability to reduce municipal debts account	1. Poor implementation of credit control and debt collection policy	Debt Collector appointed. Prepaid electric meters installation in progress
3. Inaccurate Billing of customers and Financial Reporting	Incorrect Meter readings	Consultants appointed for data cleansing
4 .Illegal occupation of parks and other recreational facilities	Unauthorised access and lack of protection services	Control access to all municipal spaces and rein fencing of parks and empty spaces
5.Inaccurate reporting of performance information	Producing Performance reports without portfolio of evidence	Distribution of Submission timeframe of actual performance information, portfolio of evidence and timeouts quarterly reporting.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Local Municipality has adopted the Fraud Prevention Plan and the Fraud Prevention Policy as the strategies to prevent fraud and corruption.

The Fraud/corruption risk areas include:

- Procurement, including urgent/emergency matters, sole suppliers and
- Vetting of suppliers and other trading partners;
- Travel claims;
- Conflicts of interest and private work declarations;
- Compliance to delegations of authority;
- Payroll; and
- Revenue collection –both from individuals and businesses

The Municipality has implemented the following controls measures to prevent fraud and corruption:

- Financial policies and procedures;
- Human Resources policies and procedures;
- Segregation of duties;
- Code of Conduct for Municipal Officials and Councillors
- Physical and Information Security; and
- Exclusion of Councillors from the procurement processes.

The Municipality has also implemented controls to detect fraud and corruption:

- Periodic Internal Audit reviews;
- Annual External Audit reviews; and
- Regular management reviews.

All employees and other stakeholders are expected to comply with the applicable policies and procedures. A fundamental risk in this area is the lack of knowledge, awareness, effective communication and training relating to Fraud, Theft and Corruption. The Municipality has a number of systems, policies and procedures designed to ensure compliance with specific laws and regulations and basic internal control.

Notes: See Chapter 4 of these report details of Disciplinary Action taken on cases of financial mismanagement.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Bid Evaluation and Bid Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. It takes an average of 87 days to make adjudication on a tender from a date of closing. Quarterly reports on the tenders are submitted to Council.

2.9 BY-LAWS

By-laws Introduced during 2013/14 and Adopted in 2014/15				
Newly Developed	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	Date of Publication
Funeral Parlours, Cemeteries and Crematorium	NONE	Yes	15 August 2014	15 August 2014
Prevention of Public Nuisance and Keeping of Animals	NONE	Yes	15 August 2014	15 August 2014
Encroachment on Municipal property	NONE	Yes	24 Nov 2013	15 August 2014
Tariffs by -Law	NONE	Yes	15 August 2014	Not yet gazette
Property Rates by-Law		Yes	15 August 2014	Not yet gazette
Credit Control and Debt Collection by-Law	NONE	Yes	15 August 2014	Not yet gazette

COMMENT ON BY-LAWS:

MSA S11 (3) (m) provides municipal Council s with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The by-laws for Lephalale Municipality were adopted in the 14/15 financial year, 6 by-laws were established during the 2013 /14financial year, Out of the 6 established three by-laws were referred back and three were put to be gazette.

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipal website	<Yes / No>	Publishing Date
Current annual and adjustments budgets and all budget-related policies	Yes	16/01/2013 17/06/2013
All current budget-related policies	Yes	04/05/ 2013 18/06/2013
The previous annual report (2012/13)	Yes	09 /05/ 2013
The annual report (2013/14) published/to be published	Yes	02 / 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013/14) and resulting scorecards	Yes	28 /06/2014
All service delivery agreements (2013/14)	Yes	27/06/2013
All long-term borrowing contracts (2013/14)	Yes	13/01/2014
All supply chain management contracts above a prescribed value (give value) for 2013/14	Yes	22/11/2014
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2013/14	Yes	22/03/2013
Contracts agreed in 2013/14 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	29/7/2013
Public-private partnership agreements referred to in section 120 made in 2013/14	Yes	29/7/2013
All quarterly reports tabled in the Council in terms of section 52 (d) during 2013/14	Yes	23/4/2014

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

The table above depicts the dates and the types of municipal documents posted on the website for the public to view.

The Lephalale Municipality has established a web site. The website is maintained by SITA.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Customer satisfaction survey was not conducted for the financial 2014/15; there were sporadic incidences of service delivery protests from communities in rural villages like Kauletsi and Seleka.

Lephalale Municipality has established municipal oversight committees such the Municipal Public Accounts committee (MPAC), Audit and Performance Committee, and the Executive Committee (EXCO), this committees are fully functional and meet as scheduled or on adhoc basis.

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

INTRODUCTION

Comparisons of performance against targets are highlighted in the form of colours based on scores which were calculated using an automated system. The scoring method utilised is in line with the assessment rating calculator prescribed by the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006. An explanation is as per the table below:

Colour code	Scoring	% Target achieved	
Rating	Score	Low	High
Unsatisfactory	1-1.99	0.0%	66%
Below average	2 -2.99	66.7%	99.9%
Achieved target	3 -3.99	100%	132%
Achieved/ exceeded target	4 -4.99	133%	166.9%
Outstanding	5+	167.0%	+

Overall Municipal Performance is calculated from all the indicators and projects applicable to the municipality as measured through its performance management system. The indicators and projects are collected into strategic and departmental (per vote) scorecards. Overall organisational performance of predetermined objectives achieved an average rating of **2.82 (94%)** at the end of the financial year which is the average of **2.93 (98%)** for KPIs and **2.70 (90%)** for Capital Projects at the end of the financial year.

The outcomes of the average performance per department and per KPA are indicated in the table below:

Overall SDBIP	Qtr. 1			Qtr. 2			Qtr. 3			Qtr. 4		
	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG
SDBIP	3.04	2.49	2.77	2.77	2.64	2.71	2.78	2.47	2.63	2.93	2.70	2.82
Development Planning	4.00		4.00	3.49		3.49	3.43		3.43	3.51		3.51
KPA1: Spatial Rationale	3.00		3.00	2.63		2.63	2.63		2.63	3.00		3.00
KPA4: Local Economic Development	5.00		5.00	4.34		4.34	4.23		4.23	4.02		4.02
Social Services	2.24		2.24	2.19		2.19	2.74		2.74	2.88		2.88
KPA2: Service Delivery and Infrastructure Development	2.24		2.24	2.19		2.19	2.74		2.74	2.88		2.88
Infrastructure Services	2.64		2.64	2.73		2.73	2.50		2.50	2.77		2.77
KPA2: Service Delivery and	2.64		2.64	2.73		2.73	2.50		2.50	2.77		2.77

Overall SDBIP	Qtr. 1			Qtr. 2			Qtr. 3			Qtr. 4		
	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG	KPI	PRJ	AVG
Infrastructure Development												
Office of the Municipal Manager	3.17		3.17	2.97		2.97	3.03		3.03	3.11		3.11
KPA2: Service Delivery and Infrastructure Development	2.63		2.63	2.17		2.17	2.42		2.42	3.19		3.19
KPA3: Financial Viability and Financial Management	3.38		3.38	3.18		3.18	3.33		3.33	3.44		3.44
KPA4: Local Economic Development	5.00		5.00	4.00		4.00	4.06		4.06	3.52		3.52
KPA5: Transformation and Organisational Development	2.34		2.34	2.85		2.85	2.69		2.69	2.57		2.57
KPA6: Good Governance and Public Participation	2.50		2.50	2.66		2.66	2.65		2.65	2.84		2.84
Budget and Treasury	3.36		3.36	2.50		2.50	2.53		2.53	2.61		2.61
KPA3: Financial Viability and Financial Management	3.36		3.36	3.00		3.00	3.05		3.05	3.22		3.22
KPA6: Good Governance and Public Participation				2.00		2.00	2.00		2.00	2.00		2.00
Corporate and Support Services	3.11		3.11	2.95		2.95	2.64		2.64	3.16		3.16
KPA5: Transformation and Organisational Development	3.22		3.22	2.90		2.90	2.91		2.91	2.65		2.65
KPA6: Good Governance and Public Participation	3.00		3.00	3.00		3.00	2.36		2.36	3.67		3.67
Strategic Management	2.76		2.76	2.57		2.57	2.61		2.61	2.50		2.50
KPA6: Good Governance and Public Participation	2.76		2.76	2.57		2.57	2.61		2.61	2.50		2.50
Projects		2.49	2.49		2.64	2.64		2.47	2.47		2.70	2.70
Own capital		3.31	3.31		2.23	2.23		1.81	1.81		2.15	2.15
MIG		3.17	3.17		2.57	2.57		2.60	2.60		2.95	2.95

A summary of the Strategic (SDBIP) of the non-financial performance per Key Performance Area (KPA) at the end of the 2014/15 financial year is being highlighted; indicating the successes and challenges per Department follows.

OFFICE OF THE MUNICIPAL MANAGER:

The indicators for the Office of the Municipal are the highest level (Strategic) of indicators and targets for the municipality to ensure the achievement of impact and outcomes identified in the strategic planning process for which the responsibilities are shared amongst all departments. Because departments share the accountability of the below mentioned strategic indicators, these indicators are also duplicated under each department in the following sub-sections. For all practical purposes, the highest level of indicators related to all Key Performance Areas (KPA's) apply directly to the Office of the Municipal Manager which account to the overall of 3.11 (104%). The prescribed general key performance indicators are contributing to the bigger portion of the Municipal Manager's score card.

An extract of the successes and challenges of only the indicators related to the functional units (i.e. Internal Audit and Risk Management) within the Office of the Municipal Manager follows:

Successes to be noted are:

- No incidences of fraud and corruption have been reported during the year under review;
- Of the planned four (4) audit committee meetings, a total of seven (7) were held successfully;
- The Municipality obtained the unqualified audit opinion in 2013/14 as planned.

Challenges to be note are that even though the overall audit opinion was Unqualified, there were still a total of 45 findings against the municipality of which only 24 have been resolved by the end of the financial year. Internal Audit was unable to perform follow up reviews on the audit findings due to lack of capacity. Only 64% of set risks mitigating controls were achieved due to insufficient resources to implement the set controls.

STRATEGIC SERVICES:

This department achieved an overall rating of 2.50 (83%) by the end of the fourth quarter. Successes to be noted are:

- A total of 14 special projects done successfully
- Unqualified audit opinion was achieved
- A total of 26 media releases were issued in the 2014/2015 financial year
- A total of three (3) media briefings were done
- Twitter and Face book are utilised as media platforms to keep the stake holder and community abreast with matters of civil interest
- A total of four (4) rep forums held in the 2014/2015 financial year
- The three (3) targeted IDP road shows were held at Morwe village, Mongalo village and Lephalale town
- Lephalale Local Municipality's IDP was rated as highly credible
- Lephalale Local Municipality's IDP was approved by Council by the end of May 2015.
- The Annual Report was approved by Council at the end of March 2015
- The SDBIP was signed by the Mayor on the 25th of June 2015

- ▶ The Annual Performance Report for 2013/14 was submitted to the Auditor-General by 31st August 2014

Challenges to be noted are that no HIV/Aids campaigns were held whereas the target for the year was four (4). Although a total of four (4), inclusive of the fourth quarter of previous financial year assessments were conducted, but not all of them were done within one month of end of previous quarter. One service delivery protest occurred whereby Seleka 4 community complained about basic services like water and electricity. No policy was developed for public participation due to lack of human resource capacity in the unit. Of the 12 ward committees, 11 were functional.

CORPORATE SUPPORT SERVICES:

The Vote Corporate support services achieved an overall rating of 3.16 (105%) and the following successes were noted:

- ▶ OHS Audits were conducted as expected
- ▶ A total of 1% of the municipality's operating budget was actually spent on implementing its workplace skills plan
- ▶ A total of 13 interns were appointed in the 2015/15 financial year
 - ▶ A total of 3 by-laws were adopted by Council and gazetted.
- ▶ The Tariffs, the Credit control and Debt Collection and the Property Rates by-laws have been adopted by Council and referred to the Municipality by COGHSTA for amendments.
- ▶ Nine (9) Ordinary and 2 Special Council Meetings were held in 2014/15 financial year
- ▶ A total of 3 by-laws were adopted by Council and gazetted.
- ▶ About 9 ICT policies were reviewed and approved by Council

The challenges are that due to the positions MM, Manager Parks and Manager Communications re-advertised thus leading to only 27 out of the targeted 31 people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Although it was planned to hold a total of 10 LLF meetings during the financial year, only seven (7) were held.

DEVELOPMENT PLANNING:

The Vote development planning achieved an overall rating of 3.51 (117%) at the end of the fourth quarter reporting period. Successes are listed below:

- ▶ All building contraventions were attended to on time and notices issued against defaulters within the given time frame
- ▶ All building plans submitted were assessed within the prescribed time frame
- ▶ Majority of land use applications were considered by Mayoral Planning Committee and Exco
- ▶ Accumulative figures of 8785 jobs were created through by strategic partners, throughout the year.
- ▶ A total of 1280 jobs were created through municipal LED and capital projects, including EPWP throughout the year
- ▶ The municipality in partnership with the Lephalale Tourism Association, managed to service the tourism sector

- A total of four (4) meetings were held with strategic partners

Despite the capacity challenges, the department managed to perform satisfactorily.

BUDGET AND TREASURY:

The Vote Budget and Treasury achieved an overall rating of 2.61 (87%). Successes that were noted from this department are as follows:

- The two assets verifications were done as planned.
- The liquidity ratio stood at 273% against the target of 200% as the value of assets far outweigh the value of liabilities
- The quarterly financial report was submitted to Council on time
- The annual financial statements (AFS) were compiled and submitted to the Auditor-General on time
- The average turnaround time for adjudication of tenders after closing of tenders was reported as 63 days
- Percentage debt coverage was at 1331% against a target of 200%
- The indigent register is being updated on continuous basis
- 1470 households have been registered as indigents and all 1470 receive free basic services
- The debtors collector rate was reported as 98% in that the total billing stood at R 251Million revenue billed and R 247Million collected
- Percentage cost coverage was 450% at the end of the fourth quarter against a target of 200%
- The credit control policy was reviewed during the budget process
- An unqualified audit opinion was achieved for financial year 2014/5.

A total of 51% expenditure on all the IDP capital projects and only 69% of Infrastructure Capital budget was spent at the end of the financial year. Total of R153 130 385.70 debt is still owed to the Municipality.

SOCIAL SERVICES:

The Department achieved an overall rating of 2.88 (96%) at the end of the fourth quarter.

The following successes were reported:

- Four (4) meetings held with stake holders in the public transport sector as scheduled
- A total of 4 Library campaigns against 3 targeted were realised
- Turnaround times of learner license applicants to be tested was achieved within a period of a week.
- A total of Five (5) joint law enforcement campaigns were held with sector department
- A total of 4 safety and security forums were held successfully
- General non-hazardous waste collected in all 13652 households and additional 6759 households at rural villages has access to refuse removal
- Refuse removal services provided in 5 villages namely: Setateng, Mmatladi, Ga-Monyeki, Mokuruenyane and Ga- Seleka
- Waste information strategy reviewed

- About 3 green economy initiatives were conducted; such as tree planting, recycling and waste management.
- About 7 environmental education campaigns were conducted in the Municipal borders
- About 70% of households has access to solid waste removal

During 2014/15, Social Services were unable to provide fire awareness prevention campaigns as planned due to lack of resources.

INFRASTRUCTURE SERVICES:

Infrastructure services has achieved an overall rating of 2.77 (92%) at the end of the financial year. The following successes were noted:

- One park at Sefithogo was established and officially handed over to the community.
- Water loss for the financial year was calculated as 10.37% against a target of 14%
- All of the 38 villages' internal streets were bladed during the financial year, 2014/15.
- 92% of households have electricity against the target of 90%
- 912 electric smart meters were installed during the 2014/15 financial year.
- A total of 180 VIP units were constructed
- 94.5 % of the households has access to basic level of sanitation
- 98% of the households have access to basic level of water. The Municipality as the WSA managed to eradicate the back log on all formal settlements. About 28 208 households has access to basic level of water
- The Bulk Water Feasibility Study for Marapong Pipeline was completed.
- Motlhasedi Access road was upgraded from gravel to tarred road.
- Electricity loss was calculated to be 13,6% at the end of a financial year against a target of 15%

Challenges against the SDBIP targets were experienced from Infrastructure Services in that no energy efficiency by-law reviewed. No roads have been resealed due to procurement delays. Service Provider for waste water sampling was not appointed due to non-responsiveness of the bidders.

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The provision of basic services to the community determines a person's quality of life, and has a potential to boost socio-economic development. The supply of free basic services to all households remains a challenge. Backlogs have been manageable in the delivery of water, electricity and sanitation which has been impacted by the current infrastructure development as well as the high number increases of rural communities.

3.1. WATER PROVISION

Lephalale Municipality as Water Service Authority has a duty to all customers and potential customers within its area of jurisdiction to progressively ensure efficient, affordable, economic and sustainable access to water in terms of section 11 [Water Services Act of 1997]. The Municipality has a duty to provide water to a population estimated at 115 996 living within urban, peri-urban and rural areas of jurisdiction.

The Lephalale Municipality is designated as Water Service Authority and Water Service Provider. All the water for the urban area of the Lephalale municipality originates from Mokolo Dam. Grootegeluk Coal Mine originally built the main supply lines, pump station, balancing dam and water purification works in the urban area. The supply, as well as maintenance of the dam (as agent of DWS) is still done by Grootegeluk coal mine. In the case of Marapong township, which is situated near the mine/power station, purified water to the municipality is supplied by Matimba Power Station. Even though the municipality has benefited to date from the investments made by Exxaro and Matimba in the past there is a concern that as water service authority, and considering long term development implications, the municipality should have ownership of infrastructure required to provide water and sanitation services to Marapong area. The Municipality has a Water Service Development Plan which was adopted by Council in 2009 and reviewed regularly. The current reviewed plan has been populated into a new template and presented to Council for adoption in August 2011.

The Department of Water and Sanitation (DWS) appointed consultants to investigate alternative solutions for provision of water to the Lephalale node area 1 as a result of the development potential of the Municipality. Based on water infrastructure, the current water availability and water use allows only limited spare yield existing for future allocations for the anticipated surge in economic development in the area. DWS commissioned the Mokolo- Crocodile (West) Water Augmentation project (MCWAP) to analyse the options for transferring water from the Crocodile River (West) with the intention to implement the project in two phases. The Department of Water Affairs (DWS) has allocated 1.8 billion for this current financial year to phase in the project on a three year basis. It is imperative to note that the outcome of the MCWAP project need to be implemented to address expected water shortages before any development in node area 1 will be viable, as currently the area does not have sufficient water resources to sustain any development. Furthermore the municipality will need to obtain an appropriate license to abstract water from MCWAP scheme to provide water to node area 1.

Water is pumped from the Mokolo dam to the Wolvefontein storage dam, from where it gravitates down to Zeeland water purification plant and the purification plant at Matimba power station. Bulk raw water gravitates down to the Grootegeluk mine and Eskom's Matimba power station.

Lephalale and Onverwacht are supplied with water that gets purified at the Zeeland water treatment works (owned and operated by Exxaro resources). The effluent gets treated at Paarl waste water treatment works. Currently, the Matimba Power Station at 7.1 million m³/a, Grootegeluk Mine at 10.1 million m³/a, (Lephalale Municipality at 5.0 million m³/a of the Exxaro/Matimba allocation) and the Irrigation Sector at 10.4 million m³/a account for the 27.6 million m³/a water allocated from the Mokolo Dam. Based on the estimated current water use, the catchment yield versus demand is in balance; however, this makes no allowance for the Ecological Reserve. Future expansions for power generation as well as the coal requirement for such development require additional volume of water which cannot be supplied from the resources within the Mokolo Water Management Area.

Water Infrastructure is indicated below:

Asset Type	Unit Measured	Quantity	Remarks
Boreholes	Number	138	
Reticulation Pipelines	Length(m)	424,973	286,311 m of uPVC pipes 136,702 m of AC pipes 1,960 m of HDPE pipes
Bulk pipelines	Length(m)	34,693	28,593 m of uPVC pipes 6,046 m of AC pipes
Reservoirs	Number	121	
Water Treatment works	Number	2	Witpoort and Maletswai
Pump Stations	Number	38	

Source: Lephalale Municipality IDP

WATER AVAILABILITY IN RURAL AREAS

The rural areas all obtain their water from ground water sources (about 85% from boreholes and 15% from well field type boreholes in the riverbed alluvium). The four water sub schemes serve approximately 38 villages through a network of approximately 138 boreholes, which are all owned and operated by the municipality. The water is pumped to storage reservoirs and then distributed to the consumers. Chlorine dosing tanks were installed in the storage reservoir but the municipality is experiencing difficulty in maintaining the dosing equipment due to budgetary constraints and not enough resources. The ground water from the boreholes is generally low due to poor yields and unacceptable water quality (class 3 or 4); however this does not necessarily pose a health risk to communities. Water from the well field type boreholes has however higher yields and acceptable quality. The surety of the current water supply from boreholes is not known. It is also not known what the actual volume of water is provided to the community. The municipality has commissioned a study on water volumes provided to rural villages.

Based on a RDP level of service for the existing community, an allocated water use of an average of 9kl/month per household in the rural areas and 36kl/month per household for Thabo-Mbeki & Thabo-Mbeki Ext 1 is proposed, the total theoretical current water demand calculated for development focus area 2 amounts to 5,992kl/d and 1,692kl/d for Thabo-Mbeki and Thabo-Mbeki Ext 1, all inclusive of a water loss of 15%. A detailed study is required to determine if the current supply from boreholes and wells are sufficient to meet this demand. According to data on the sizes of the reservoirs collected in the municipality water asset register, the existing reservoirs have a capacity of 8,317kl/d but it is not clear whether the ground water sources meets demand. The available ground water yield and quality and storage capacity needs to be investigated as it is unsure if this resource can be expanded and to what degree.

In Lephalale, one-third of households do not have access to water in the dwelling or yard, but have to make use of community stand pipes. In Marapong this figure is somewhat lower (20% of households make use of community stand pipes) more than half of the households have access to water inside their dwelling. In ward 3 and town Lephalale, approximately 75% of households have access to water inside their dwelling, while 20% have a tap in the yard. The remainder makes use of community stand pipes.

The table below indicates the level of access to water by household.

Number of household by level of water.	Piped water inside dwelling.	Piped water inside yard.	Communal piped water; less than 200m from dwelling/institution.	Communal piped water between 200m and 500m from dwelling	Communal piped water between 500m and 1000m (1km) from dwelling	Communal piped water distance greater than 1000m (1km) from dwelling	No access to piped water
29 880	9 367	10 566	6 559	1 716	555	2 11	798
Households below basic level of service/Backlog		3 280					

Pre-determined Objectives

Households below basic level of service/Backlog as a percentage	10%					
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Sources: StatsSA 2011 and IDP

Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Provide quality and well maintained infrastructural services in all municipal areas	M_399	Percentage households with access to basic level of water	87	94	98	98	98	100
Provide quality and well maintained infrastructural services in all municipal areas	M_173	Number of households utilising water supply (24/7 availability is dependent upon borehole or other water source yield) at least within 200m of households (outside dwelling and yards)	26492 reported however only 13061 could be verified	28208	27050	29000	29880	29880
Provide quality and well maintained infrastructural services in all municipal areas	M_81	Percentage of water losses YTD	20	14	10.37	10	10	10
Provide quality and well maintained infrastructural services in all municipal areas	M_726	Number of surveys and feasibility studies for development of technical report and realistic funding requirements conducted	N/A	1	1	N/A	N/A	N/A

Sources: Lebelela Aug 2015

Employees: Water Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	7	7	7	0	0
7 - 9	9	10	8	2	20
10 - 12	0	0	0	0	0
13 - 15	20	25	21	4	16
16 - 18	8	12	8	4	33
19 - 20					
Total	45	55	45	10	18
Employees and Posts numbers are as at 30 June.					

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Reubert Reservoir 6 (ml)	100	1 477 300	1 500 000	22 700
Refurbishment of AC Water pipes Lephalale-Marapong, Onverwacht, Town	70	0	3 500 000	3 500 000
2x LDV's	20	0	400 000	400 000
Mokuruanyane Shongoane RWS P4 Installation of water reticulation system and water storage facility	100	2 912 036	14 855 757	11 943 721
Witpoort Seleka RWS P4 Installation of water reticulation system and water storage facility	70	2 037 720	8 556 389	6 518 669

Financial Performance 2014/15: Water Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	54 141 898	59 975 193	61 368 084	78 201 466	-16 833 382
Expenditure:					
Employees	12 633 273	12 995 766	13 737 060	12 451 491	1 285 569
Repairs and Maintenance	1 650 910	2 448 054	2 425 010	2 310 983	114 027
Other	49 525 568	43 845 353	43 453 215	49 237 977	-5 784 762
Total Operational Expenditure	63 809 751	59 289 173	59 615 285	64 000 451	-4 385 166
Net Operational (Service) Expenditure	-9 667 853	686 020	1 752 799	14 201 015	-12 448 216

Capital Expenditure 2014/15			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Mokuruanyane RWS and Shongoane water Scheme	14855757	14617845	237912
Witpoort RWS Seleka water Schemes	8556389	1787473	3349779
DWS - Refurbishment	10 300 000	2514792	7758208
Reservoir cover - Marapong - own funding roll-over	563158	473100	90058
Equipping Boreholes (Feasibility study) - own funding roll-over	1500000	947998	552002

3.2 WASTE WATER (SANITATION) PROVISION

Sanitation is about dignity. The availability of sanitation facilities does not only improve the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water

borne diseases like cholera, diarrhoea, typhoid etc. It is therefore important that as a Municipality, priority should be given to this service, particularly taking into account the backlog (rural sanitation) and the national target.

The land on which Lephalale town situated is relatively flat. Sewers are installed at slopes exceeding the slope of the natural ground level and over relatively short distances become so deep that it must be pumped. Presently there are 38 pump stations in Onverwacht and Ellisras. All land around the developed areas is privately owned. The township layouts will be prepared by or on behalf of the land owners and the design of sewerage infrastructure will be carried out by their consultants. The requirements with regard to the placement and sizing of pump stations will be the product of the planning and design work undertaken by these developers. For these reasons it is believed that each developer should be responsible for the installation of any sewage pump station(s) and pump line(s) that he may require.

Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works. The treatment works has been expanded to treat 7.25ML sewage per day and presently has spare capacity of 3ML.

Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. Resgen and its BEE partners, through its operating company Ledjadja coal (PTY) LTD which is currently developing Boikarabelo mine about 60km west of Lephalale town has offered the Municipality a phase-in expansion of the oxidation pond to a 16ML/d waste water treatment plant for Marapong area on a 30 year; built, maintain and transfer contract. An agreement has been reached and a consulting engineering firm was appointed to do feasibility study.

Sanitation Infrastructure is indicated below:

Number of treatment works	Capacity of treatment works	Capacity currently utilized	Length of bulk sewer pipelines	Number of pump stations	Length of reticulation pipelines
3	10,73m/l	6,73m/l	105km	38	66,4km

Sanitation in the rural areas consists of informal pit latrine structures or Ventilated Improved Pit Latrine. It is estimated that 5% of the households have no sanitation service. There is no waterborne sanitation in the rural area. The sanitation level of service varies from no service to basic level of service. Approximately 15381 households will require an improved sanitation system. The sanitation in Thabo-Mbeki and Thabo-Mbeki Ext 1 is mostly septic tanks with French drains. The Central Business District has access to full waterborne sanitation system that drains into oxidation ponds which has currently reached maximum capacity.

As indicated in the section covering the water infrastructure, the area does not have sufficient water resources to accommodate a waterborne sanitation system for the entire nodal area 2. The pit latrines and VIPs in the rural area will need to be replaced with a more appropriate environmentally acceptable sanitation system once a more detailed study on what the most suitable technical solution for the existing ground conditions has been completed.

Based on RDP level of service for the existing community, an allocated sanitation demand of an average 30kl/month per household for Thabo-Mbeki and Thabo-Mbeki Ext 1 is used. The total theoretical current waste water treatment capacity requirement calculated for population concentration point amounts to 1,424kl/d inclusive of a factor of 15% for infiltration. The estimated capacity of the oxidation ponds is 297kl/d.

The oxidation ponds have therefore insufficient capacity to receive all the waste water from Thabo-Mbeki town. It is estimated that the capacity requirements will increase to 1,715kl/d by 2030 thus an additional 287kl/d.

The development nodal area 2 is a relatively large area characterized by mostly informal settlements with a current population estimated at 66 300 people. Approximately 50.4% of the households are below the basic RDP level of service.

The scenario is premised on the provision of more appropriate sanitation system in the rural areas and full level service to residential areas of Thabo-Mbeki and Thabo-Mbeki Ext 1 and the business area in Thabo-Mbeki.

Employees: Sanitation Services					
Job Level	2013/14	2014/15			
	Employee es	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0
4 – 6	2	3	2	1	33
7 – 9	10	11	9	2	18
10 – 12	-	-	-	-	-
13 – 15	10	10	9	1	10
16 – 18	14	15	14	1	7
19 – 20	-	-	-	-	-
Total	36	40	35	5	13
Employees and Posts numbers are as at 30 June 2015.					

Financial Performance 2014/15: Sanitation Services					
R'000					
			Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	25 431 459	28 101 068	30 236 730	29 743 104	493 626
Expenditure:					
Employees	7 322 440	7 307 006	7 940 909	8 381 146	-440 237
Repairs and Maintenance	3 530 181	3 655 076	3 687 434	4 435 268	-747 834
Other	5 892 601	5 407 178	5 302 684	10 380 844	-5 078 160
Total Operational Expenditure	16 745 222	16 369 260	16 931 027	23 197 258	-6 266 231
Net Operational (Service) Expenditure		2013/14	2014/15	6 545 846	6 759 857

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Provide quality and well maintained infrastructural services in all municipal areas	M_166	Number of new VIPs constructed YTD	245	180	180	612	400	400
Provide quality and well maintained infrastructural services in all municipal areas	M_400	Percentage households with access to basic level of sanitation	90	94	94.5	95	98	100
Provide quality and well maintained infrastructural services in all municipal areas	M_725	Number of general sampling of effluent conducted at waste water treatment plants	0	12	0	12	12	12

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Effluent discharge 4KM pipeline to deal with effluent from Paarl	1500000	282063	1217937
Supply and delivery of furniture- plant Marapong	50000	0	50000
Sewer dumping station - own funding roll-over	889400	88319	801081
Re-engineering Sewer Networks - own funding roll-over	125328	0	125328

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Refurbish pump station 25	20	0	500 000	500 000

Sources: Lebelela Aug 2015

3.3 ELECTRICITY

Lephalale Municipality is an electricity provider and has an electrical reticulation network supplying electricity to Onverwacht and the eastern region of Lephalale. The Lephalale electricity network is supplied from Eskom at 11kV via the Lephalale Main Substation next to the Onverwacht area. The Eskom supply is generated at Matimba Power Station and fed via the Matimba Substation at 132kV. The Matimba Substation feeds the Eskom Waterberg Substation (Lephalale) where it is stepped down from 132kV to 33kV. Waterberg Substation has two 132kV/33kV transformers. From Waterberg Substation the power is fed via two Wolf conductor lines (approximately 8km each) to the main substation, at Lephalale. The substation has both an Eskom section with three 33kV/11kV 10MVA transformers and a municipal distribution substation from where the primary feeders are fed into the Lephalale network. We are still waiting for allocation of extra 5MVA to make a firm 35MVA.

Lephalale is supplied with a 30MVA firm and no bulk and all three transformers are in service. Eskom has 20MVA firm capacity at Waterberg and 40 MVA if both 20MVA transformers are in service. Lephalale has a maximum demand of 29.5MVA, and nothing can be allocated to the new development area as there is no spare capacity. Only 4MVA can be reserved for the new mall should we receive the extra 5MVA as requested?

Due to the current maximum demand and load growth in the town and surrounding areas, the distribution network will have to be upgraded to allow for expansion. The current load growth based on applications for new connections will be approximately 10MVA per year over the next five years for the existing and planned reticulated area. The load growth from 2008 to date is about 200%. For the area surrounding Lephalale town for which Eskom holds the supply license the load growth could be as high as 5 MVA per year for the next few years. In line with the expected load growth different scenarios will be proposed to upgrade the network. The rural villages, farm areas and Marapong are Eskom distribution area. The Villa Nora and Tomburke substations will require an additional 20MVA capacity for the next few years.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Provide quality and well maintained infrastructural services in all municipal areas	M_340	Percentage of Electrical losses	20	15	13.6	20	20	20
Provide quality and well maintained infrastructural services in all municipal areas	M_341	Number of Smart Meters installed YTD	5072	1400	912	N/A	N/A	N/A
Provide quality and well maintained infrastructural services in all municipal areas	M_710	Number of urban transformers upgraded YTD	3	3	3	3	3	3
Provide quality and well maintained infrastructural services in all municipal areas	M_401	Percentage households with access to basic level of electricity	87.5	90	92	95	98	100
Provide quality and well maintained infrastructural services in all municipal areas	M_713	Number of energy efficiency audits conducted	0	1	1	N/A	N/A	N/A
Provide quality and well maintained infrastructural services in all municipal areas	M_714	Number of by-laws pertaining to energy efficiency program reviewed and approved by Council	0	1	0	1	N/A	N/A

Sources: Lebelela Aug 2015

Employees: Electricity Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0
4 – 6	5	6	5	1	17
7 – 9	14	16	15	1	6
10 – 12	1	1	1	0	0
13 – 15	9	12	11	1	8
16 – 18	13	13	12	1	8
19 – 20	-	-	-	-	-
Total	43	49	45	4	8
Employees and Posts numbers are as at 30 June 2015.					

Financial Performance 2014/15: Electricity Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	141 877 042	144 981 773	157 327 950	167 449 795	-10 121 845
Expenditure:					
Employees	10 080 021	10 532 388	11 372 202	11 789 929	-417 727
Repairs and Maintenance	4 993 215	2 644 016	2 136 841	2 027 856	108 985
Other	100 254 732	113 627 712	112 676 481	109 428 480	3 248 001
Total Operational Expenditure	115 327 968	126 804 116	126 185 524	123 246 265	2 939 259
Net Operational (Service) Expenditure	26 549 074	18 177 657	31 142 426	44 203 530	-13 061 104

Capital Expenditure 2014/15			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
13 High mast in various villages - MIG roll-over	2805000	2216148	588 852
1x 800 KVA mini sub	500000	300000	200000
2 x 630 kVA mini sub	630000	283713	346287
Zone five overhead line Perdekamp	1000000	0	1000000
Substation 4 - own funding roll-over	2500000	0	2500000
Generator pump station 1 & 23 (315kva) - own funding roll-over	529763	454999	74764

Sources: Lebelela Aug 2014

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Over 92% of the population of Lephalale has access to Electricity at any given time; The Municipality directly is responsible for distribution at the urban area and townships, whereas the rural villages and the farming community get distribution from ESKOM.

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
1X LDVs Bakkie	10	0	200 000	200 000
Back-up generator	0	0	500 000	500 000
1X 630KVA Mini-sub	100	334 318	350 000	15 682
1X 800 KVA Mini-sub	100	349 395	530 000	180 605

Sources: Lebelela Jun 2015

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

INTRODUCTION TO WASTE MANAGEMENT

Lephalale Local Municipality collects general non-hazardous waste in line with the national norms and standards for refuse removal. The municipality provides daily refuse removal in both commercial and industrial areas due to the organic nature of waste generated in the mentioned areas. Weekly refuse removal services are provided in the residential areas including informal settlements and villages. The collected waste is consigned to the registered waste disposal facility in Onverwacht for final disposal. The municipality is operating one registered landfill site (Groothoek Landfill site). The division has a total of 7 compactor truck, 3 x canter trucks, 2 x Roll-on Roll-off trucks and 2 x LDV's for refuse removal. To ensure compliance to minimum requirements for waste disposal, the following equipment's and machineries are utilized 1x bulldoze, 2 x front-end loaders and 1 x tipper truck. Labour intensive method of litter picking is currently implemented in five villages through EPWP. 40 beneficiaries are recruited and selected to remove waste, clean streets and clear indiscriminate dumping hotspots in Setateng, Matladi, Ga-Monyeki and Seleka. The division is implementing waste minimization strategy by establishing community waste recovery projects, source separation of recyclables, waste avoidance programs such as sustainable packaging, design for environment, consumer based waste reduction program and designing out waste program as a way of avoiding and reducing generation of waste. Various Waste education and awareness programs are currently implemented throughout the municipality for attitude change. The division has a total of 15 x street cleaners, 22 x refuse removers, 10 x truck operators, 2 x landfill spotters, 2 x landfill operators, 1 x waste management officer, 2 x supervisors, 1 x waste intern and 1 x Manager. The division has a serious challenge of illegal dumping of waste and littering in the rural areas and around informal settlements. The available resources are also not adequate to deal with population growth. The available street cleaners are not enough to cover the whole of Lephalale Municipality. There is no drop-off facilities for temporary storage of green and general waste. There are no waste disposal or storage facilities in the rural areas and as well as inadequate waste storage receptacles in both rural and urban areas.

We are also having challenges of collecting Solid waste in heavy industries and hazardous waste because of lack of resources. This has negative impact at our Revenue of Municipality and sustaining service.

The municipality has no drop-off, garden sites, transfer station, material recovery facilities and buy-back centres for recycling. The municipality is relying on private companies and community programmes for recovery of the recyclables. The companies such as Nampak, Consol, Mondi, Transpaco, Collect-a-can and Consol have contracted a service provider for the recovery of K4 box, cans, plastic bottles, clear and mixed plastics, white paper and glass bottles. There are also informal recyclers in the landfill, collecting K4 box, plastics, papers and steel. The municipality has a challenge of providing refuse removal service to the rural community. The challenges range from unavailability of land to inadequate funds to provide the service. The municipality has a serious challenge of illegal dumping of garden waste in areas such as Marapong and Onverwacht, in that garden sites are needed in the mentioned areas. All formalized townships have access to weekly refuse removal services.

Formal refuse removal has been introduced to 5 pilot villages where by the roll on roll off bins are utilised from strategic positions along the selected villages.

Employees: Solid Waste Management Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	1	2	2	0	0
10 - 12	12	12	10	2	17
13 - 15	-	-	-	-	-
16 - 18	40	39	37	2	5
19 - 20	-	-	-	-	-
Total	55	55	51	4	7
Employees and Posts numbers are as at 30 June 2015.					

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year - 1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being	M_192	Number of clean-up campaigns held YTD	12	12	19	12	12	12
Protect the environment and improve community well-being	M_250	Number of urban household with access to weekly refuse removal	13652	13652	13652	13652	13652	13652
Protect the environment and improve community well-being	M_402	Percentage households with access to basic level of solid waste removal	46	70	70	70	80	90
Protect the environment and improve community well-being	M_708	Number of rural villages with access to weekly refuse	0	5	5	10	15	20

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year - 1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
		removal services through roll-on, roll-off system and community contractors						
Protect the environment and improve community well-being	M_709	Number of Integrated Waste Management Plans reviewed	0	1	1	1	1	1

Sources: Lebelela Aug 2015

Employees: Waste Disposal and Other Services(Environmental)					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	0	2	2	0	0
10 - 12	1	2	2	0	0
13 - 15	-	-	-	-	-
16 - 18	1	2	2	0	0
19 - 20	-	-	-	-	-
Total	2	6	6	0	0
Employees and Posts numbers are as at 30 June 2015.					

Financial Performance 2014/15: Waste Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	21 443 569	20 799 000	23 719 000	24 133 000	-414 000
Expenditure:					
Employees	8 710 391	8 711 415	9 659 168	10 221 049	-561 881
Repairs and Maintenance	876 065	722 034	722 034	1 199 000	-476 966
Other	4 639 684	2 521 533	2 646 103	3 895 012	-1 248 909
Total Operational Expenditure	14 226 140	11 954 982	13 027 305	15 315 061	-2 287 756
Net Operational (Service) Expenditure	7 217 429	8 844 018	10 691 695	8 817 939	1 873 756

Capital Expenditure 2013/14			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
30x30 Cubic meter Roll-on-Roll-off bins	2250000	1 851 344	398656
2x Roll-on-Roll-off trucks	3000000	2 688 691	311 309
Feasibility Landfill - own funding roll-over	1321639	0	1321639.8
Skip Loader - own funding roll-over	779120	477 032	302 088
Double Cab - own funding roll-over	300000	262 192	37 808

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Acquisition of Land (for landfill site)	80	0	1 500 000	1 500 000

Sources: Lebelela Aug 2015

3.5 HUMAN SETTLEMENTS

The provision of socio- economic perspective of the local Municipality as whole, as well as the three priority nodal area is essential to attain sustainable human settlement initiative. The elements of demography, economic production, employment and economic development potential is of cardinal importance and as such need to be dealt with properly.

The majority of houses in the municipal area are good quality brick structures. They are uniformly distributed across municipal settlement areas. One should have expected more traditional dwellings but are only a few of them in the settlements. There is no specific pattern regarding backyard dwelling detectable. These apply to both urban core and the rural outlying areas. Land tenure and ownership is currently very difficult to assess. In rural areas the land is tribal and household have free ownership. This is as a result of the fact that land ownership in tribal areas is a sensitive issue and very complicated. However a significant number of households in rural areas own the houses they live in. Rented housing occurs only in Onverwacht, Marapong and Lephalale town. Hostel accommodation type exists for Exxaro and contractors for Medupi project.

The Municipality needs to provide a spatial perspective that deal with the actual land use development trends and tendencies within the three focus areas as reflected on the projected focus area map page 23 to inform the development of planning scenarios and provision of bulk infrastructure. There are informal settlements in Steenbokpan, Marapong and Ellisras town.

Land availability in respect to agricultural potential and environmental sensitive areas in the nodal area needs to be clearly defined. The Municipality adopted the housing chapter in 2009 and has reviewed the chapter under Lephalale integrated scoping report in 2011.

The estimated residential units can accommodate potential population of 38815. Looking at the projected population growth this figures present an oversupply of units in Lephalale, especially on the upper market housing segment. There is an element of lower supply of housing units on rental and low-income level. The estate agents have confirmed that the existing available residential erven far exceeds current demand. Exxaro is in a process to establish approximately 3000 residential erven. Eskom is having a two-fold approach which includes the purchase of erven from private sector and establishment of housing for Marapong Extension 5 on their own land which is still in a process. The Provincial Government has allocated 1.2 billion on a three year basis for the establishment of 5000 erven in Altoostyd farm. The project will result in the provision of housing for middle income and other designated groups within the spatial development area 1 which forms natural extension of the existing development. The scattered nature of the township development area has prompted the municipality to follow an infill approach for integrated human settlement.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Rational planning to bridge first and second economies and provide adequate land for development	M_707	Number of human settlement development plans developed and approved by Council	0	1	0	1	1	1

Sources: Lebelela Aug 2015

Employees: Housing Services					
Job Level	2013/14	2014/15			
	Employee	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0
4 – 6	1	1	1	0	0
7 – 9	2	3	3	0	0
10 – 12	1	1	1	0	0
13 – 15	-	-	-	-	0
16 - 18	-	-	-	-	0
19 - 20	-	--	-	-	0
Total	5	6	6	0	0
Employees and Posts numbers are as at 30 June 2015					

Financial Performance 2014/15: Housing Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget

Total Operational Revenue (excluding tariffs)					
Expenditure:					
Employees	1 768 038	1 937 797	2 019 387	2 108 566	-89 179
Repairs and Maintenance	24 868	37 906	50 000	43 750	6 250
Other	233 145	266 801	221 361	336 460	-115 099
Total Operational Expenditure	2 026 051	2 242 504	2 290 748	2 488 776	-198 028
Net Operational (Service) Expenditure	-2 026 051	-2 242 504	-2 290 748	-2 488 776	198 028

Housing is a function performed on behalf of provincial department COGHSTA, the department appointed HDA to assist with formalisation of all informal settlements in Lephalale and the implementation of housing projects at the Altoostyd as well as CRU units at Marapong. HAD is busy with the process.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

NUMBER OF HOUSEHOLDS PROVIDED WITH FREE BASIC SERVICES.					
Water	Sewerage & Sanitation	Electricity	Refuse removal	Total households served	Total households served as %
1470	1470	Configuration 1 777 (3,052)	600	29800	4,8%

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has updated their Indigent Register at the end of the financial year under review. All of registered indigents received free basic water and electricity during the year under review.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Enhance	M_638	Number of	1	1	1	1	1	1

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
revenue and financial management		updated and credible indigents register in place						
Enhance revenue and financial management	M_403	Percentage households earning less than R3 500 (as per indigent policy) per month with access to free basic service	100	100	100	100	100	100
Enhance revenue and financial management	M_751	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic water	100	100	100	100	100	100
Enhance revenue and financial management	M_752	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic sanitation	100	100	100	100	100	100
Enhance revenue and financial management	M_753	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic electricity	100	100	100	100	100	100
Enhance revenue and financial management	M_754	Percentage (registered) households earning less than R3 500 (as	100	100	100	100	100	100

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
		per indigent policy) per month with access to free solid waste removal						

Sources: Lebelela Aug 2015

The municipal indigent register has a total of 1470 indigents registered. The register was updated in the 2014/15 financial year.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

The Municipality has a constitutional obligation to ensure that accessible, safe, efficient, adequate and affordable public transport is provided to the community. The Municipality adopted the Integrated Transport Plan in 2012 after the assistance from Department of Cooperative Governance Housing and Traditional Affairs. The geographical location of the villages and work opportunities in Lephalale is one of the determining factors in understanding transport demand problems. There are 38 rural villages in Lephalale, many of them located 40 km or more from the CBD of Lephalale. The CBD and town are located close to the coal mines and power stations, whereas the villages developed historically along Lephalale River. Approximately 65% or more of the Lephalale population live on farms or rural villages. This results in low residential densities, which makes the cost of effective transport provision high. The coal reserves, estimated up to 300 years of reserves, are the main driver of economic activity in the area.

If the planned and envisaged additional power stations and potential coal mining materialized, it will be a large stimulus for development in the area. Depending on what developments materialize in the area, between 16 000 and 37 000 additional housing units will be required for the next 20 years or so. In the development of future coal mines and power stations, care should be taken that residential settlements are located as close as possible to these work opportunities, to reduce travel time and cost of transport.

There are three formal taxi ranks in Lephalale, two informal taxi ranks and one bus rank. Bus shelters provided by the Municipality at some of the villages are only able to accommodate five people. Public Transport facilities are inadequate and in some cases far from the people they are supposed to serve.

The roads in Lephalale are adequately connected to National, Provincial and District roads. The issue being experienced in terms of the roads in the municipal area is two-fold in nature. The first being: the primary roads and related issues. These include the poor state of the roads due to limited maintenance of these roads. The poor state of these primary routes is having a detrimental effect on the distribution of goods, services and people in and through the municipality. Possible causes of this are lack of funds, human resources, equipment and capacity to maintain the existing infrastructure. The second element of this issue is the poor state of the internal circulation routes in the area (especially in the rural area). The causes of the poor state of these roads can be attributed to lack of appropriate road maintenance policies and funds, the category/type of the roads i.e. gravel roads carrying high volumes of traffic. The R33 road serve as a link between Lephalale and Modimolle municipality more especially for the delivery of machinery and equipment for construction of Medupi power station, expansion of Grootegeluk coal mine and future developments. This road needs special attention from Department of Roads and Transport and Road Agency Limpopo (RAL). R33 was rehabilitated in the 2013/14 financial year, however challenges were posed by natural disaster in the form of floods which damaged the bridge on the R33 and it is not repaired to date.

The southern by-pass provincial road P198-1 linking R510 to Medupi has been identified as one of the main critical road. The Lephalale municipality will be responsible for bulk road infrastructure and individual developers of townships will have to provide all internal roads. There is concern on the rapidly degrading of many roads due to the increasing economic activities. Of the total length of municipal roads, some are paved and these are mainly in Marapong, Onverwacht and Ellisras respectively. The unpaved roads vary from dirt tracks to graded gravel surfaces which are mainly located in the rural areas of the municipality. The current policy for improving municipal roads, as stated in the 2010/2011 IDP is to ultimately pave all municipal roads. Given limited resources and finances, interim 3 to 5 year programmes are prepared and updated annually to maintain existing assets to address serious problems, to improve access roads between villages

The road network is the principal means of travel in Lephalale and the greater Waterberg district municipality. On a district scale, several provincial roads provide inter-provincial and inter-municipal connectivity for the wider district, they also serve as linkage roads that provide local connectivity and form key components of the supply chain of the local economy. Intensive road network and infrastructure planning did not precede nor has it kept pace with the significant industrial and population growth within the municipal area. To date few of the unchecked development effects visible in road transport include:

- Increased traffic through Lephalale without extended road infrastructure
- Significantly high freight truck traffic,
- High levels of road congestion during peak traffic periods.

The description of this roads are summarized below and it is important to note that this is a regional classification of the main roads and some of these road classification will change where the roads run through an urban area such as small towns and villages along the route.

Total road network length	Road kilometres tarred	Road infrastructure backlog
1 054. 84km	233. 02km	821. 83km

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Provide quality and well maintained infrastructural services in all municipal areas	M_218	Number of villages in which access roads are to be bladed YTD	18	40	40	40	40	
Provide quality and well maintained infrastructural services in all municipal areas	M_226	Number of square meters roads resealed	0	6395	0	6395	6395	6395

Sources: Lebelela Aug 2015

Employees: Road Services and Storm Water					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	7	3	2	1	33
7 - 9	9	4	4	0	0
10 - 12	0	7	7	0	0
13 - 15	22	3	3	0	0
16 - 18	8	29	29	0	0
19 - 20	-	-	-	-	
Total	46	47	46	1	2

Employees and Posts numbers are as at 30 June 2015.

Financial Performance 2014/15: Public works Services (Roads & Storm water services)					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	95 000	973 931	973 931	181 425	792 506
Expenditure:					
Employees	248 000	7 660 129	7 781 673	7 884 729	-103 056
Repairs and Maintenance	248 000	4 953 033	3 908 033	3 321 889	586 144
Other	248 000	24 086 601	23 104 137	19 926 493	3 177 644
Total Operational Expenditure	744 000	36 699 763	34 793 843	31 133 111	3 660 732
Net Operational (Service) Expenditure	-649 000	-35 725 832	-33 819 912	-30 951 686	-2 868 226

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Walk behind roller	100	180000	200 000	20 000
Mohlasedi Access Road Upgrading access road from gravel to tar (total length is 3km	100	8 500 000	8 500 000	0
Ga-Monyeki Access Road Upgrading access road from gravel to tar (total length is 3,5km	100	2 400	650 467	648 067
Kauletsi Access Road Upgrading access road from gravel to tar (total length is 2,5km	100	694 453	694 453	0
Ditloun Access Road Upgrading access road from gravel to tar (total length is 2km)	100	29 943	502 467	472 524

Sources: Lebelela Aug 2015

INTEGRATED TRANSPORT PLANNING

The municipality has a constitutional obligation to ensure that accessible, safe, efficient, adequate and affordable public transport is provided to the community. In Lephalale, although most people rely on walking, quite a significant percentage of people make use of public transport to access different destination such as work, school, and health services, social and recreational facilities at different times.

The following table shows a breakdown of different modes of transport utilized by people in Lephalale.

MODE	NO. OF PEOPLE	PERCENTAGE
Foot/bicycle	51084	45%
Private vehicle	12525	11%
Bus	7800	7%
Taxis	10380	10%
Not applicable	30806	27%

Public Transport State

Public transport in Lephalale comprises mainly privately owned and operated taxis and buses. There is only one subsidized bus company which transport commuters to different destinations within Lephalale on daily basis. Other private operators are contracted to big companies such as Exxaro and Eskom for transportation of their workers. There are four taxi associations with a fleet of more than four hundred taxis mostly with a carrying capacity of 16 passengers operating on different routes in Lephalale

Taxi Transport Status quo

TAXI ASSOCIATION	FLEET	SERVICE
Kudu Taxi Association	70	Local, Long & cross- border
Ellisras Local Taxi Association	150	Local
Steilooop Taxi Association	76	Local
Lephalale Taxi Association	140	Long distance & cross-border

Currently there is no metered taxis transport service available in Lephalale. The Department of roads and transport approved two applications in 2006 but the applicants failed to release their operating licenses.

The use of animals drawn vehicles and air-transport constitutes a less significant percentage.

The Department of Education has contracted private bus operators for provision of scholar transport to 16 schools falling under Ellisras', Palala South and Palala North circuit.

Public Transport Facilities

There are four formal and three informal taxi ranks in Lephalale, two bus terminals and a number of lay byes built along D3110 road. One landing strip is available for chartered light passenger planes.

Cost of Public Transport

The Government's goal is that no commuter should spend more than 10% of his/her disposable income on transport. The cost of public transport in some cases amount to 40% of the commuter's disposable income.

Challenges

Problems faced by the municipality with regard to provision of public transport are multi-faceted.

Problems include among others the following:

- Poor road surface and infrastructure.
- Inadequate facilities such as taxi ranks, bus terminals, laybys etc. Our facilities are also not user-friendly to people with disability.
- Poor customer service on the part of taxi and bus operators.
- Disintegrated and unscheduled public transport system impact negatively on the kind of services offered.
- Too many pick-up points along the route increase the travel time.
- Limited subsidy from Government result in people having to spend a significant percentage of their income on transport. The situation is further compounded by the fact that public transport is in the hands of private owners and that makes it difficult to regulate, especially when it comes to tariffs charged.

Integrated Transport Plan for Lephalale

In terms of section 36(1) of the National Land Transport Act no 5 of 2009, the Municipality as a Planning Authority must prepare and submit to the MEC of Transport, an Integrated Transport Plan (ITP) which must formulate the municipality's official vision, policy and objectives on transport.

The Lephalale ITP has been finalized by the appointed services provider (*Its Engineers*), adopted by the Council. The Integrated Transport Plan which was conceived through consultation with relevant stakeholders encompasses the Objectives, Transport Status quo Analysis, Transport Improvements proposals, Implementation budget and programmes. Although the Lephalale ITP has been completed, the municipality still needs to compile other legal documents viz Rationalization Plan, Transport Needs Assessment, Current Public Transport Record, Operating License Strategy and Transport Register which will guide the municipality in regulation of public transport.

In terms of the National land Transport Act no 5/2009; Municipalities have a regulatory function of receiving and deciding on applications relating to operating license for services within their areas of jurisdiction. This includes allocation on subsidy to contracted public transport service providers. Currently this function is performed by the Department of Roads and Transport. The municipality must therefore prepare itself towards total takeover of the function. In terms of section 17 of the Act a division must be established within the municipality's administration to perform this function.

FREIGHT/CARGO TRANSPORTATION

Rail Transport

The existing rail lines is an important "branch line" but with a mainline standard. It serves the coal, iron ore and chrome mines in the North West and Limpopo Province. Beginning at Pretoria North, the line was extended 112km to Lephalale to exploit coal resources in 1980. On average three trains operate daily in Lephalale. These are long air-braked trains, usually 80 wagons in length utilized mainly by Exxaro and Eskom for transportation of freight.

In Lephalale movement of freight or cargo is on land and mainly through major routes i.e. R33 and N11. This is due to the basic ability of the road transport industry to move a variety of cargoes quickly, efficiently and economically. This arrangement has got an adverse and damaging effect on our road surface and infrastructure and must be discouraged in favour of rail transportation.

Law-enforcement on freight transport

Many heavy vehicles are potentially overloaded and not roadworthy. Law-enforcement is lacking in this regard. There is one boarder post to Botswana to combat overloading by heavy vehicles. The municipality also has got a small weighbridge which is currently dysfunctional. Upgrading the municipal weighbridge and conducting overload programs will assist in enhancing the lifespan of the municipality's road infrastructure.

Transportation of abnormal loads and hazardous materials

The current economic development in Lephalale places an increase responsibility on the municipality in as far as regulation of transportation of abnormal loads and hazardous materials are concerned. There is no specific abnormal load route plan available for the municipality. Equally there are no by-laws that regulate movement of dangerous or hazardous materials.

Consultation with relevant stakeholders

No formal consultation takes place between the municipality and stakeholders in the road freight industry. Establishment of a freight transport consultative body (FTCB) is necessary in order to promote more efficient and cost effective freight transport in Lephalale.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being	M_699	Number of meetings held with stakeholders in the public transport sector YTD	0	4	4	4	4	4

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Electronic filing systems	100	250000	250 000	0
Supply and installation of electronic queue management system for the Registering Authority	100	44052	50 000	5 948
Supply and delivery of an industrial paper shredder	100	19210	20 000	790

Sources: Lebelela Aug 2015

3.9 WASTE WATER (STORMWATER DRAINAGE)

Just as the municipal road network is mainly rural in character, so are the related storm water drainage facilities. With the exception of most of the paved residential streets in Onverwacht and Ellisras which have kerbs, side channels, inlets and sub-surface drain pipe or open collector channels network. The majority of municipal roads in and between the rural villages carry storm water drainage at surface level in open lateral channels, in and across the roads and occasionally in culverts under the road.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

3.10 PLANNING

The central question that all urban and regional planners and development managers grapple with is how to ensure the development of sustainable cities, towns, and rural areas in a climate where the immediate needs of poverty and lack of basic needs overshadows the development agenda. The Spatial Development Framework (SDF) for Lephalale Municipality will ensure that the development of sustainable urban and rural environment create an enabling environment for the implementation of the developmental agenda of national government. The National Spatial Perspective states that “the challenges and opportunities posed by and in urban settlements whether they are declining or expanding necessitates a targeted response by government to achieve better urban management”. The purpose of a Spatial Development Framework is to provide general direction to guide integrated development planning and decision making as well as actions over multi-year period, and to create a strategic framework for the formulation of an appropriate land use management system.

The reviewed Spatial Development Framework for Lephalale Municipality was adopted by Council in June 2012, and requires alignment with National Development Plan and the new planning legislation which is Spatial Planning and land use Management Act (SPLUMA). SPLUMA aims at addressing the spatial disparities and integrated settlements.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Rational planning to bridge first and second economies and provide adequate land for development	M_144	Average % of land use (rezoning, special consent for other uses) applications considered by EXCO within 2 months of receipt of application	100	100	100	100	100	100
Rational planning to bridge first and second economies and provide adequate land for development	M_243	Average % of land use (township establishment) applications considered by Council within 3 months of receipt of application y.t.d	100	100	0	100	100	100
Rational planning to bridge first and second economies and provide adequate land for development	M_114	Percentage of building contraventions attended to within 1 month from detection	100	100	100	100	100	100
Rational planning to bridge first and second economies and provide adequate land for development	M_270	Percentage of building plans assessed within 1½ months (6 weeks) of receipt of building plan	100	100	100	100	100	100

Sources: Lebelela Aug 2015

Employees: Planning Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	3	8	7	1	13
7 - 9	2	2	2	0	0
10 - 12	4	-	-	-	0
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	-
9	9	13	11	2	15
Employees and Posts numbers are as at 30 June 2015. *.					

Financial Performance 2014/15: Planning Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	448 210	573 880	821 381	729 565	91 816
Expenditure:					
Employees	4 303 857	5 768 903	5 960 581	5 544 968	415 613
Repairs and Maintenance	6 088	12 904	12 905	6 842	6 063
Other	182 873	532 658	594 069	527 656	66 413

Financial Performance 2014/15: Planning Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Expenditure	4 492 818	6 314 465	6 567 555	6 079 466	488 089
Net Operational (Service) Expenditure	-4 044 608	-5 740 585	-5 746 174	-5 349 901	-396 273

Capital Expenditure 2014/15					
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget	
Furniture & equipment for Executive Manager Development Planning Services	100	29 943	40 000	10 057	
Furniture for the Administrative Assistant (Development Planning Services)	10	0	6 000	6 000	
Office chair X 5	0	0	8 000	8 000	
Acquisition of GIS software	0	0	300 000	300 000	
Filing Cabinets X 10	100	13 610	17 000	3 390	

Sources: Lebelela Aug 2015

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. The provision of these services has the potential to boost socio-economic development (as per LED). Infrastructure analysis focuses on the status quo regarding water supply, sanitation facilities, energy, housing provision, roads and public transport, waste management and telecommunications – all of which underpin socio-economic development and determine a people's quality of life.

Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and energy production. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. The coal to liquid project that is currently being investigated by Sasol could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal and energy production, secondly red meat and thirdly Tourism. Lephalale is currently in the second stage of considerable public sector investment, estimated at R140 billion over six years, for the construction of Medupi power station. One of government's key priorities is to increase economic growth and to promote social inclusion.



Unemployment in Lephalale at 22.9% is below the provincial average, due to all the local developments relating to the new Eskom (Medupi) power station and the expansion of coal production from the mine. The labour force participation rate in Lephalale is above the provincial average, which indicates the high incidence of workers who originates from other places.

Activity by Sector	%	R' million
Agriculture, forestry and fishing	5.0	200.0
Mining and Quarrying	30.0	1200.0
Manufacturing	3.0	120.0
Electricity, gas and water	20.0	800.0
Construction	5.0	200.0
Wholesale and retail trade, catering and accommodation	8.0	320.0
Transport, storage and communication	7.0	280.0
Finance, insurance, real estate and business services	10.0	400.0
Community, social and personal services	2.0	80.0
General government	10.0	400.0
Total	100.0	4000.0

Mining and Quarrying is the largest employer in Lephalale. The trade and accommodation sector is the second biggest employer. It responds to the consumption needs of the local workforce, but also includes game lodges and accommodation for hunters on game farms. Employment in the electricity sector is likely to improve when Medupi power station becomes operational towards the end of 2012.

The importance of tourism industry to the economy of the area is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to

any expansion of the industrial operations and the related business tourism. The existing importance of the business tourism sector, and its strong links to the mine and power station are also viewed as important. The challenge faced by the tourism industry in the area is to increase leisure/ecotourism visitors in the summer seasons. This would rather relate to ecotourism rather than hunting. There is the opportunity to increase tourism in the area through tours to the power station (s) and/or mine.

The location of the Lephalale municipality provides unique opportunities for economic development and tourism in particular. The area is renowned for hunting, wildlife and scenic beauty and nature reserves, sports and adventure. Five routes have been developed in the municipal area and include the following:

- The Mokolo Route
- Marla Route
- Limpopo Route
- Waterberg Route; and
- Heritage Route.



The Waterberg Savannah Biosphere, and the UNESCO declared Biosphere covers a large portion of the Waterberg District Municipality namely, Lephalale, Mogalakwena, Thabazimbi and Modimolle municipalities.

The biggest part of the Waterberg Biosphere is located within the Lephalale municipality and the entire biosphere measures 15 000 square meters. The central vision of the Waterberg Biosphere reserve is to maximize the area's potential for conservation, sustainable development and social uplifting.

Tourism and especially eco-tourism has shown considerable growth in recent years. It is a good example of sustainable use of opportunities and resources, and offers the benefit of a range of employment options for local people. A negative factor in the Lephalale economy is the lack of economic activity in the rural village areas. This is where the majority of the current population lives. The very high rate of unemployment implies that opportunities for the establishment of small industries or businesses which are labour intensive should be pursued in order to make use of the potential workforce.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year - 1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Create a conducive environment for businesses to invest and prosper	M_51	Number of jobs created through municipality's strategic partners (energy generation, new mines and other business proposals) YTD	8785	850	87323	850	900	1 000
Create a conducive environment for businesses to invest and prosper	M_688	Number of jobs created through municipal LED initiatives including capital projects (from municipal budget)	183	1280	1378	1 500	1 500	1 500

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year - 1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
		YTD						
Create a conducive environment for businesses to invest and prosper	M_695	Number of Public Private Partnerships established YTD	1	2	2	2	2	2
Create a conducive environment for businesses to invest and prosper	M_696	Number of meetings held with strategic partners YTD	0	2	4	2	2	2
Capacitate Disadvantaged groups	M_000	Jobs created through EPWP Projects						

Sources: Lebelela Aug 2015

Employees: Local Economic Development Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	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	1	0	1	100
19 - 20	0	0	0	0	0
Total	2	3	2	1	33

Employees and Posts numbers are as at 30 June 2015.

Financial Performance 2014/15: LED Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	0	0	0	0	0
Expenditure:					
Employees	803 766	1 005 261	1 046 377	1 080 384	-34 007
Repairs and Maintenance	0	0	0	0	0
Other	545 725	1 648 797	1 308 912	961 008	347 904
Total Operational Expenditure	1 349 491	2 654 058	2 355 289	2 041 392	313 897
Net Operational (Service) Expenditure	-1 349 491	-2 654 058	-2 355 289	-2 041 392	-313 897

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Two (2) office chairs for Visitors	10	0	800	800
White Board	100	637	1 500	863
Purchase refrigerator (Bar Fridge)	100	2 400	2 500	100
Purchase of 1 Municipal branded Gazebos; with 1 foldable tables and 10 foldable chairs	10	0	10 000	10 000

Sources: Lebelela Aug 2015

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

3.12 LIBRARIES; COMMUNITY FACILITIES; OTHER

LIBRARIES

Library division - offers access to reading, listening, viewing, study facilities and information services to the community in order to promote a culture of reading and lifelong learning.

The division comprises of four fully functional libraries of which the fourth one belongs to the Department of Sport, Arts and Culture. These libraries acquire, develop, and preserve collections and published records, and selection of variety of information materials according to the community needs

Library patrons/users are allowed borrow library materials (fiction and non- fiction) for a certain period.

Have access to study facilities, reference sources internet services, photocopies, fax and printing

STAFF COMPLEMENT

The division has a total of sixteen (16) municipal employees and two (2) employees from the Department of Sport, Arts and Culture

FUNCTIONS	DETAIL	2013/2014	2014/15
LENDING SERVICES:-	It deals with the Library circulation materials borrowed By users.	Books: 24348	22037
		Periodicals: 200	88
SITA LIBRARY MANAGEMENT SYSTEM (SLIMS):-	All Lephalale library materials including books are barcoded, classified, edited (catalogued) And linked to the system. Thabo Mbeki & Marapong Libraries are still on manual System.	New catalogued books in Lephalale: 1390	511
PHOTOCOPIES:-	Users make photocopies out of	Copies made by customers:	

FUNCTIONS	DETAIL	2013/2014	2014/15
	Library materials and their Private documents.	59165	39028
FAXES:-	Users receive and send own Documents.		
		Sent: 24184	20000
		Received: 728	469
INTERNET:-	Users rely on this service for recent and factual information when there are no recent available sources for research and school projects in the Shelves.	Users requested Internet: 7435	6215

FUNCTIONS	DETAIL	2013/14	2014/15
MEMBERSHIP:-	Library users apply for membership to loan Library Materials.		
		New members: 595	488
		Renewals: 398	435
		Withdrawals: 0	559
		Current: 6825	4158
COLLECTION DEVELOPMENT:-	Library collection is acquired through purchase of new Library materials and donations from the community		
		Book purchased: 2000	1086
		Books & periodicals donated: 400	85
FREE SERVICES:-			

FUNCTIONS	DETAIL	2013/2014	2014/15
	Customers receive free services through books, magazines, film- video and DVD, musical CD, reference materials, studying & reading as well as general queries		
	Telephone & desk enquiries	Enquiries : 4564	4809
	Books are renewed after 2 weeks	Books renewed: 41789	21397
	Books requested are reserved	Books reserved: 370	400
LIBRARY VISITS:-	Pre-Schools, Primary & High	Primary visits: 2	2
	Schools pay visits at the Library on appointment	Pre-school visit: 0	1
	Library staff visit schools on Library promotion programmes	Pre-school visited by personnel: 10	15
	Students from local schools visit the Library for study purposes on daily basis	35058	33795

FUNCTIONS	DETAIL	2013/14	2014/15
LIBRARY VISITS	Library visits by potential users	8908	8945
CONTINUES...			

FUNCTIONS	DETAIL	2013/2014	2014/15
REMINDERS:-	Library patrons are reminded about the borrowed books to be returned and also about the payments of lost, damaged and late materials	Sent: 4008	4045
		Returned: 3858	4000
ANALYSIS OF THE FUNCTION	NATURE AND EXTENT OF FACILITIES PROVIDED:	FACILITIES	USERS
LIBRARY SERVICES:-	Number of Libraries at different locations	4 (Four) Libraries and 1 (one) which belongs to (DSAC) Provincial in Shongoane	Onverwacht, Thabo Mbeki, Marapong and Shongoane communities
STAFF MEMBERS:-	Number of employees cost to employer of all personnel in the Library Division	16 (sixteen) employees appointed by LLM	1 x Div. Manager 3 x Librarians 2 x Ass. Librarians 5 x Lib. Assistants 3 x Lib. Helpers 2 x Lib. Cleaners
	DSAC Library in Shongoane	2 employees appointed by DSAC	1 X Librarian 1 x Library Assistant

FUNCTIONS	DETAIL	2013/2014	2014/15
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OBJECTIVES	IMPROVEMENTS PLANNED FOR NEXT YEAR: 2015/2016	CURRENT	TARGET
Library and Information Services	*To activate and configure SLIMS system to our branch Libraries	SLIMS system is configured only in Lephalale Library	Waiting for DSAC budget approval
	*Continue to provide essential services	Employees try by all efforts to Provide good service. Training of staff members to equip knowledge and skills with UKS	To become a well-established and organised Library in Limpopo Province

The key issues achieved for 2014/2015:

- Library interior renovation by Department of Sport, Arts and Culture
- Establishment and opening of new Library in Shongoane under the DSA
- Earned 100% Provincial audit regarding capability and storing of books

Thusong Centre

Thusong Centre is one stop service centre providing information and services to communities through development communication approach in an integrated manner.

The objective of this programme is to empower communities by providing relevant information and services relevant to their needs.

This process also allows two way interactions between the government and the people through events like Imbizos in order to address historical socio-economic challenges.

Thusong Centre is a program initiated by the Government in 1999 and is coordinated by the Office of the Premier in collaboration with Government Communication and Information Systems (GCIS). The aim is to empower the poor and disadvantaged by providing access to government information and services as well as resources from NGOs and parastatals. Each District should have established at least one Thusong Centre by 2004 and each Municipality should have established at least one Thusong centre by 2014.

Lephalale Municipality has overachieved in this regard because we managed to establish two Thusong Centres by 2014 instead of one .The first Centre is situated in Mokuruanyane Village which was completed in 2013 and it is currently fully operational.

The second Thusong Centre is at Leseding informal settlement. Lesedi Tshukudu Centre has been donated by SASOL and was officially opened in 6 December 2014.

The Centre consists of 6 x offices, 1x Community Hall, 1 x Boardroom 1 x kitchen and a reception area. The offices are not yet occupied due to the delay in the connection of the electricity from Eskom. The connection of the electricity was completed last week. The Department of Primary Health Care, Department of Justice and Social Development have already shown interest in occupying the offices by submitting their applications.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being	M_172	Number of library campaigns held YTD	4	4	4	4	4	4

Sources: Lebelelela Aug 2015

3.13 CEMETERIES AND CREMATORIUMS

There are only five zoned public burial sites in the whole Municipal area. The Municipality is providing services at the urban area, Thabo-Mbeki and Steenbokpan. Burial fees are determined on a sliding scale for Onverwacht/ Rupert Street, Marapong, Steenbokpan and Thabo-Mbeki.

The demarcated burial site in Marapong is nearly reaching its capacity and will probably be full within the next 24 months or so based on the current rate of graves erected. No feasibility has been conducted by the Municipality to identify an alternative burial site. The lack of forward planning has the potential to create challenges for the Municipality looking at the current tariffs and the distance to the nearest burial site which is in Onverwacht, taking into consideration the fact that most families in Marapong are indigent.

The municipality is not providing any burial service in the rural villages and the area is communal land controlled by traditional authorities.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The department of social and security service is responsible for child care and old age social grants provision.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

This is function performed primarily by the Waterberg district municipality

3.15 POLLUTION CONTROL

Function performed by the Waterberg district municipality,

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being	M_700	Number of green economy initiatives (planting of trees, invasive alien plant clean-up programme) implemented YTD	0	2	3	4	5	5
Protect the environment and improve community well-being	M_702	Number of environmental education programmes implemented YTD	0	4	7	4	4	4

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
1 x Tractor	60	0	300 000	300 000
1 x Slasher	60	0	50 000	50 000
Purchasing of land for cemetery	10	0	5 000 000	5 000 000

Sources: Lebelela Aug 2015

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

Parks Division

Lephalale Municipality has a nursery where we keep our plants. Besides purchasing the plants ourselves, the municipality also receives plants donated by Exxaro -Grootegeeluk Coal Mine and Eskom. There are also other local nurseries in the Lephalale area where trees can be purchased. Lephalale Municipality has four well maintained Rural Parks at the following villages:

- Bangalong
- Moong
- Matladi
- Sefitlhogo

Cemetery

There are only five zoned public burial sites in the whole Municipal area. The Municipality is providing services at the urban area, Thabo Mbeki and Steenbokpaan. Burial fees are determined on sliding scale for Onverwacht/ Rupert Street, Marapong, Steenbokpan and Thabo Mbeki.

The demarcated burial site at Marapong is reaching its capacity. Municipality has identified an alternative burial site and in process to conduct feasibility study on the above said land.

Biodiversity

A big portion of Lephalale municipality forms part of the Waterberg Biosphere which was declared by UNESCO. Mokolo dam and D'Nyala Nature reserve are nature conservation destinations within Lephalale Municipality and Limpopo parks board is the agency at the heart of operation for this bio-diversity entities. There are quite a number of privately owned Game farms and nature conservation reserves like Mmama Tau, Fahad nature reserve, and many more Game farms which provide employment opportunities for the poor from the villages.

The Department social services has a parks division which deals with landscaping, however this is an added function on the normal parks work and a new development in terms of the functions of the division. Statically most the empty land space is privately owned and cannot be dealt with without the concerned of the owner.

Financial Performance 2014/15: Parks					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	96 454	111 850	116 143	50 584	65 559
Expenditure:					
Employees	5 105 710	6 881 062	6 645 420	6 513 030	132 390
Repairs and Maintenance	299 576	547 326	280 426	322 210	-41 784
Other	3 268 928	4 196 513	4 061 974	1 401 453	2 660 521
Total Operational Expenditure	8 674 214	11 624 901	10 987 820	8 236 693	2 751 127
Net Operational (Service) Expenditure	-8 577 760	-11 513 051	-10 871 677	-8 186 109	-2 685 568

COMPONENT F: HEALTH

This is a function rendered to municipality by the district and the Provincial department and as result much cannot be said around health from the municipal side.

Clinics in Lephalale offer the Primary health care. There are five main clinics, equipped with mobile unit for the scattered villages and farms. Services rendered by this clinic include distribution of medicine for chronic diseases, pre-natal care for pregnant woman, and testing for chronic diseases. Primary Health is not a function of Lephalale Local Municipality.

There are two hospitals within the boundaries of Lephalale local municipality

3.17 CLINICS

Clinics in Lephalale offer the Primary health care. There are five main clinics, equipped with mobile unit for the scattered villages and farms. Services rendered by this clinic include distribution of medicine for chronic diseases, pre-natal care for pregnant woman, and testing for chronic diseases.

3.18 AMBULANCE SERVICES

The ambulance service within the municipality is rendered by the Provincial Department of Health and Social Development and it is co-coordinated at the District. There are two Ambulance centres in the municipality, located and based at the two hospitals within the municipal boundaries. The service centres are in Onverwacht at the Lephalale hospital and satellite service centre at Witpoort Hospital

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

This is function performed by the District municipality, however the deployed members to municipalities. In Lephalale municipality there four members from the district deployed to service the local municipality with monitoring of water quality, food control, waste management, health surveillance of premises, chemical safety, disposal of the deceased and environmental pollution.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.20 POLICE

re are six police stations around Lephalale Municipality, a mobile station in Marapong and two border policing points at Stockpoort and Groblersbrug. Crime in general is showing trends of increment, this is as a result of more people flocking to Lephalale to look for economic opportunities. In our view this has potential to lead into more serious and or organized crime. The South African Police Service (SAPS), with the input of various stakeholders, are working hard to combat crime in and around to make Lephalale a safe place for the community. Some of the joint efforts relate to the combined operations that the police, private security and traffic departments often conduct in order to combat crime and to maximize the outputs and outcomes of the available scarce resources. Community policing and crime prevention human resource is equivalent to 1:350 per officer, which depicts a well spread ratio across

the Municipal area. The sparsely located settlements create a major challenge for resources to be deployed evenly to cover all areas of the municipality during specific times.

3.21 FIRE

Fire and Rescue Services, Disaster Management

Over the past 15 years Lephalale Municipality experienced a serious heavy rain and Disaster which resulted to floods. This was followed by drought which has negative impact to the Local Community.

This has inflicted a heavy cost on human, materials, physical resources and degradation to environment. It had also a negative physical impact (which includes casualties and property damage) and social impacts (which includes socio-economic).

Although we have a Local Disaster Management centre, that is funded by District and managed by Local Municipality, we believe with the current resources we will not be able to manage all challenges that will be come as results of industrialization and natural disasters. We believe more resources should be directed to Municipality to assist in upgrading the Local Disaster Management centre. Municipality need more development strategies an effective communication system. We need fully equipped management centre.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being	M_360	Number of fire prevention awareness campaigns conducted YTD	21	12	21	12	12	12

Sources: Lebelela Aug 2015

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The local authority does not have the resource capacity to act as sole responsible agent for the implementation of the different disaster management strategies and it is therefore crucial that the district and provincial authorities be involved during the planning of the strategies. This will ensure that the role and responsibilities of the different spheres of government and local role-players are adequately delineated and clear. This will ensure a smooth implementation of the disaster management strategy if and when the time requires it.

Disaster management is a cross-sectorial task which relates to a wide range of sectors and aspects such as avoiding settlements or investment in high risk locations, construction technologies, water management, health services etc. It is therefore not an issue that can be dealt with by a special project, but it requires compliance of any development's measures with basic principles of disaster prevention and mitigation. Rather than taking any possible disaster into consideration, one has to focus on risks which are very likely and which justify the efforts of preparedness. Lephalale Municipality is prone to disasters that emanate from veldt and informal settlements fires, floods, drought epidemics and crime.

The following are regarded as Disaster Management challenges:

- Potential risk of some households in rural villages which are located in the flood line area.
- State of readiness by the Municipal disaster Centre in case of any large-scale disaster occurrence.
- Level of training for the current personnel to deal with disaster occurrence of high magnitude.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Protect the environment and improve community well-being\	M_703	Number of speed checks held YTD	80	170	26	80	170	26

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Upgrading of security system at Civic centre	50	0	300 000	300 000

Sources: Lebelela Aug 2015

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

Sports facilities in schools around town are zoned as “educational” and thus not accessible to the general community. In the rural villages, a number of informal football and netball field have been cleared on school premises and are mostly in poor condition. Local teams play on open spaces which are cleared in various settlements. Sports facilities in both Onverwacht and Marapong are privately owned. The Municipality is paying an annual grant to Mogol club as a contribution towards recreational facilities in the urban area. Mogol sport centre and Marapong stadium are the two facilities which are available to the community in the urban area. There are public parks with children playing equipment in the urban areas. Some of these parks are maintained although the standard in Marapong is lower as compared to the one in Onverwacht and town. There are four recreational parks in the entire rural villages.

There are three enclosed sports field at Ga-Monyeki village, Thabo-Mbeki Township and Gaseleka which cater for sporting activities for the community in rural areas. These facilities have been erected some years ago but their standard is satisfactory.

All Sport Facilities were maintained on a monthly basis throughout the year with the maintenance schedule being executed 100%. Grass cutting, weed control, fertilization and general cleaning were executed as planned. Salty water at Reuben Mogashoa was a huge challenge to an extent that the natural grass pitch had to be changed to artificial pitch.

The Sport function performed at provincial level; Municipality is assisting with co-ordination of sporting activities and events like the OR Tambo games. The municipality is proving sporting facilities like the two stadia under the maintenance plan of the municipality. A maintenance fee for sporting facilities in Marapong and Onverwacht is paid annually from municipal funds. This facility in turn gives employment opportunity to communities around and the opportunity for those communities to participate in sports.

The three sport fields at the rural areas has children’s recreational facilities

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; Councillors; and municipal manager).

The **Office of the Municipal Manager** is responsible for ensuring the smooth running of the municipality. It provides guidance and advice on compliance with certain Legislative Acts that govern the Municipality to the political structures; political office-bearers and officials. The Office of the Municipal Manager consists of the following administrative units, namely Internal Audit and Risk Management

The key functions of the Office of the Municipal are:

- ▶ The formation and development of an economical, effective, efficient and accountable administration that is equipped to carry out the task of implementing the municipality Integrated Development Plan (IDP) and responsible to the needs of the local community
- ▶ As Accounting Officer, the cost effective management of the municipality's budget and the timely implementation of resolutions
- ▶ The implementation of the municipality's IDP and monitoring the progress with the implementation of the plan
- ▶ The management and monitoring of Municipal services provided to local community in a sustainable and equitable manner
- ▶ The administration and implementation of the Municipality's by-laws and other legislation, including the implementation of National and Provincial directives, policies and legislation
- ▶ Exercising powers delegated to the Municipal Manager by the Municipal Council and other authorities of the Municipality
- ▶ Rendering administrative and strategic support to the Mayor and other political structures in Council

The Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality.

The EXCO is established to assist Mayor with his/her functions. Each member of the EXCO is also a chairperson of a cluster committee. The following are the different clusters: Finance and Economic Development, Administration and Governance, Municipal Services and Community Development.

The Oversight committee and the Performance Audit Committee have also been established. This committee is highly functional and held 7 seven meetings in the previous financial year 2014/15, the details of the functions are outlined in the report of audit committee chairperson which is appendix G of this report.

The Municipal Public Accounts Committee (MPAC) has been established and held regular meetings. MPAC held 6 meeting in the 2014/15 financial year,

A development forum (Lephalale Development Forum) has been established for leverage between big business and the municipality.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Responsible, accountable, effective and efficient corporate governance	M_262	Number of IDP Rep forums meetings successfully held YTD	4	4	4	4	4	4
Responsible, accountable, effective and efficient corporate governance	M_325	Number of IDP road shows successfully held YTD	3	3	3	3	3	3
Responsible, accountable, effective and efficient corporate governance	M_657	MEC IDP credibility rating	100	100	100	100	100	100
Responsible, accountable, effective and efficient corporate governance	M_658	Number of Final IDP approved by Council by end May	1	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_315	Number of performance assessments performed within 2 months after end of the quarter	4	4	4	4	4	4
Responsible, accountable, effective and efficient corporate governance	M_43	Number of final SDBIP approved by the Mayor within 28 days after the approval of budget and the IDP	1	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_06	Number of Final Annual Reports approved by Council by end March	1	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_09	Number of Draft Annual Reports tabled to Council by end January	1	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_48	Number of Annual Performance Reports submitted to auditor general by August 30th	1	1	1	1	1	1
Responsible, accountable,	M_208	Number of ward committees that are	12	12	11	12	12	12

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
effective and efficient corporate governance		functional						
Responsible, accountable, effective and efficient corporate governance	M_335	Number of media releases published (YTD)	4	20	26	20	20	20
Responsible, accountable, effective and efficient corporate governance	M_336	Number of media briefings held YTD	1	2	3	2	2	2
Responsible, accountable, effective and efficient corporate governance	M_654	Number social media platforms utilised for communication	0	2	2	4	4	4
Responsible, accountable, effective and efficient corporate governance	M_651	Number of Unqualified Performance Opinion	0	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_663	Number of service delivery protests occurred	0	0	1	0	0	0
Responsible, accountable, effective and efficient corporate governance	M_664	Number of public participation policies developed and approved by Council	0	1	0	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_649	Number of Audit committee meetings held successfully YTD	4	4	7	4	4	4
Responsible, accountable, effective and efficient corporate governance	M_652	Number of audit findings against the municipality YTD	60	0	21	0	0	0
Responsible, accountable, effective and efficient corporate governance	M_659	Number of internal audit findings against the municipality YTD	41	20	46	20	15	10
Responsible,	M_655	Number of ordinary	10	4	11	4	4	4

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
accountable, effective and efficient corporate governance		Council meetings held YTD						
Capacitate disadvantaged groups	M_322	Number of HIV/Aids campaigns held YTD	0	4	0	4	4	4
Capacitate disadvantaged groups	M_641	Number of special projects awareness campaigns held YTD	0	12	14	12	12	12

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Refurbishment of Shongoane Stadium and construction of access road in the stadium	100	1 376 850	582 467	-794 383
2 x Vacuum Cleaners	100	11 366	30 000	18 634
1 x Locker for Cleaner	100	1 550	1 500	-50
2 Big Screens (TVs)	10	0	30 000	30 000
Glue binder for Agendas	10	0	50 000	50 000
Construction of Safe	10	0	1 800 000	1 800 000
Office furniture for new personnel IDP	50	8000	40 000	32 000
Digital camera (communication)	100	9500	10 000	500
Tent (100 people)	100	248 400	300 000	51 600
Chairs	100	100000	110 000	10 000
Mayor's furniture	100	48500	50 000	1 500
Tables x 10	10	0	1 300	1 300
PA system	100	29995	30 000	5
Portable podium	100	14800	15 000	200
Councillors Furniture	100	100000	100 000	0

Sources: Lebelela Aug 2015

3.25 FINANCIAL SERVICES

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Enhance revenue and financial management	M_33	Percentage debtors collection rate	96.87	98	98	98	98	98
Enhance revenue and financial management	M_345	R-value Debt amount owed to the municipality	134 m	135 m	153 m	120mil	120mil	900k
Enhance revenue and financial management	M_396	Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services)	33.62	25	8	25	20	15
Enhance revenue and financial management	M_397	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure)	646.44	200	450	200	200	200
Enhance revenue and financial management	M_637	Number of credit control policies reviewed and approved by Council	0	1	1	1	1	1
Enhance revenue and financial management	M_17	Number of Asset Verification conducted YTD	1	2	2	2	2	2

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Enhance revenue and financial management	M_25	Number of quarterly financial reports submitted to Council YTD	4	4	4	4	4	4
Enhance revenue and financial management	M_281	Submission of Annual Financial Statement to the Auditor General on time (by end August)	1	1	1	1	1	1
Enhance revenue and financial management	M_205	Debt coverage	1 367	200	1331	200	200	200
Enhance revenue and financial management	M_285	Average number of days between closing of tender and adjudication	60	90	63	90	90	90
Enhance revenue and financial management	M_398	Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP	74.61	100	51	100	100	100
Enhance revenue and financial management	M_717	Percentage infrastructure capital budget spent YTD	0	100	73	100	100	100
Responsible, accountable, effective and efficient corporate governance	M_740	Number of audit findings against the municipality regarding financial statements	0	0	26	0	0	0

Sources: Lebelela Aug 2015

Employees: Financial Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0
4 - 6	3	10	9	1	10
7 - 9	3	23	22	1	4
10 - 12	40	12	7	5	42
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20					
Total	51	51	44	7	14
Employees and Posts numbers are as at 30 June 2015.					

Financial Performance 2014/15: Financial Services					
R'000					
Details	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	21 160 692	18 471 986	19 438 393	19 877 411	-439 018
Expenditure:					
Employees	11 619 559	15 295 737	15 811 128	15 056 610	754 518
Repairs and Maintenance	6 989	6 641 843	8 641 844	12 153 928	-3 512 084
Other	10 631 410	13 484 043	18 013 963	19 796 455	-1 782 492

Total Operational Expenditure	22 257 958	35 421 623	42 466 935	47 006 993	-4 540 058
Net Operational (Service) Expenditure	-1 097 266	-16 949 637	-23 028 542	-27 129 582	4 101 040

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Fridge	100	2 399	1 500	-899
Round table and chairs	100	37 497	32 000	-5 497
Furniture	100	47 491	50 000	2 509

Sources: Lebelela Aug 2015

3.26 HUMAN RESOURCE SERVICES

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Improve functionality, performance and professionalism	M_212	Percentage municipality operating budget (salary budget) annually spent on implementing its Workplace Skills Plan	2	1	1	1	1	1
Improve functionality, performance and professionalism	M_404	Number of people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan	29	31	27	31	31	31
Improve functionality, performance and professionalism	M_672	Employee Satisfaction rating	0	50	0	50	60	70
Improve functionality,	M_673	Number of EAP policies developed and	0	1	0	1	1	1

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
performance and professionalism		approved by Council						
Improve functionality, performance and professionalism	M_678	Number of LLF meetings held YTD	0	10	7			
Improve functionality, performance and professionalism	M_680	Number of OHS audits conducted annually	0	1	1	1	1	1
Improve functionality, performance and professionalism	M_687	Number of interns employed	0	10	13			

Sources: Lebelela Aug 2015

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resource Division provides administration of employees perusal information, ensures there is good working relations with employees representatives, training and development of the employees is given priorities in order to fully capacitate the organisation ability to implement the IDP.

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT is an integral part of enterprise governance and consists of the leadership and organisational structures and processes that ensure that the organisation's ICT [the infrastructure as well as the capabilities and organisation that is established to support ICT] sustain and extends the organisation's strategies and objectives

ICT is there to make sure that organizations achieve sustainable success through the use of their ICT and pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology and also ensuring that optimum Municipal value is realised from ICT-related investment, services and assets.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Responsible, accountable, effective and efficient corporate governance	M_135	Number of ICT related policies and plans reviewed YTD	11	9	9	9	9	9

Sources: Lebelelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Hardware (Printers, Computers, scanners and laptops)	100	183 697	200 000	16 303
Antivirus Renewal	100	43 066	200 000	156 934
Server room upgrade(UPS & Biometrics)	100	184 845	200 000	15 155
Microsoft Licenses	100	180 927	200 000	19 073
Microsoft Software Assurance renewal	100	96 691	134 000	37 309

Sources: Lebelelela Aug 2015

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

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

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The municipality has a dedicated Legal Services unit under Corporate Support Services and the team is responsible for property management and procurement. It also deals with litigations for and against the municipality.

The risk officer was appointed in the financial year 2012/13 and since then the risk committee was established and risks assessments conducted annually. The risk committee is chaired by external independent person.

Pre-determined Objectives								
Strategic Objective	ID	Service Indicator	Year -1	Year 0		Year 1	Year 2	Year 3
			Actual	Target	Actual	Target		
Responsible, accountable, effective and efficient corporate governance	M_667	Percentage of risks that were identified for each quarter in the Risk Plan that were attended to successfully YTD	0	100	64	100	100	100
Responsible, accountable, effective and efficient corporate governance	M_646	Number of incidents of corruption and fraud YTD	3	0	0	0	0	0
Responsible, accountable, effective and efficient corporate governance	M_653	Number of by-laws reviewed, approved by Council , public participation concluded and submitted for vetting and gazetting YTD		3	3	5	2	2

Sources: Lebelela Aug 2015

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Office furniture	10	0	80 000	80 000

Sources: Lebelela Aug 2015

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

The municipality does not have any abattoirs under its property management, however the private business do own abattoirs within the municipal borders.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

Summary

The detailed performance in terms of Municipal Votes / Departments as per the predetermined objectives identified in the IDP and SDBIP for the 2014/15 financial year is indicated below.

OFFICE OF THE MUNICIPAL MANAGER:

The indicators below are the highest level (Strategic) of indicators and targets for the municipality to ensure the achievement of impact and outcomes identified in the strategic planning process for which the responsibilities are shared amongst all departments. Because departments share the accountability of the below mentioned strategic indicators, these indicators are also duplicated under each department in the following sub-sections. For all practical purposes, the highest level of indicators related to all Key Performance Areas (KPA's) applies directly to the Office of the Municipal Manager. The prescribed general key performance indicators are contributing to the bigger portion of the Municipal Manager's score card.

The detailed strategic scorecard follows:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M_700	Number of green economy initiatives (planting of trees, invasive alien plant clean-up programme) implemented YTD	Soc	Trees planted in first qtr. One LIMA campaign held and one alien species removal done	None	None	4.5	0	2	3	-1
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M_402	Percentage households with access to basic level of solid waste removal*	Soc	Of the total households (i.t.o. the IDP) 13652 households are receiving waste removal services on monthly basis and about 6759 households at rural villages has access since February 2015 FY, therefore about 20411 households and informal settlements receive basic level of waste removal	None	None	3	46	70	70	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M_708	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system and community contractors	Soc	Refuse removal services provided in 5 villages namely: Setateng Mmatladi Ga-Monyeki Mokurunyane Ga-Seleka	None	N/A	3	0	5	5	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M_340	Percentage of Electrical losses	Inf.	Electricity losses are at 13.6% for the fourth quarter which is a little improvement but still running at a loss	None	N/A.	3.03	20	15	13,6	1.4
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (New Infrastructure)	M_401	Percentage households with access to basic level of electricity*	Inf.	92% of households have access to basic electricity. i.e. about 27424 households in municipal jurisdiction.	None	N/A	3.02	87.5	90	92	-2

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M_400	Percentage households with access to basic level of sanitation*	Inf.	28106 households have access to basic level of sanitation	None	None	3.01	90	94	94.5	-0.5
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M_723	Green drop water quality standard rating (only tested bi-annually)	Inf.	None	No results yet from the Department.	The Municipality will follow up with the department about the release of the green drop results	0W	60	80	0	80
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M_725	Number of general sampling of effluent conducted at waste water treatment plants	Inf.	Sampling was not done	Municipality could not find a suitable Service Provider for doing waste water sampling.	Re-advert and make sure Service Providers are complying.	1	0	12	0	12

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M_399	Percentage households with access to basic level of water*	Inf.	The WSA managed to eradicate the back log on all formal settlements. About 28208 households have access to basic level of water	None	N/A	3.04	87	94	98	-4
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M_727	Number of households utilising water supply (not necessarily 24/7) at least within 200m of households (outside dwelling and yards)	Inf.	A total of 28208 households has access to basic level of water	None	N/A	3.01	21 656	27 950	28 208	-258
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M_630	Liquidity ratio (R-value assets / R-value liabilities as %)	BTO	Assets = R199354934/730 43527 (Current assets less stock/ current liabilities.	None	N/A	4.37	660	200	273	-73
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M_281	Number of Annual Financial Statements submitted to the Auditor General on time (by end August)	BTO	AFS was Submitted in time at end August 2014	None	N/A	3	1	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_205	Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year)*	BTO	As per attached report = (262262848/1969 9111). Total cash received/ capital redemption plus interest on loans	None	N/A	5	1 367	200	1331	-1131
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_398	Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP*	BTO	Only total of 51% expenditure on all the IDP capital projects.	Municipality could not find suitable service providers on time due to non-responsiveness of service providers	Stick to forward planning, which is advertisement for planning and design a year earlier than advertising for construction	1.51	74.61	100	51	49
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_717	Percentage infrastructure capital budget spent YTD	BTO	Only 73% of Infrastructure Capital budget has been spent YTD	Municipality could not find suitable service providers on time due to non-responsiveness of service providers	Stick to forward planning, which is advertisement for planning and design a year earlier than advertising for construction	2.73	0	100	73	27

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_751	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic water*	BTO	1470 households have been registered as indigents and all 1470 receive free basic water	None	N/A	3	100	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_752	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic sanitation*	BTO	1470 households have been registered as indigents and all 1470 receive free basic sanitation	None	N/A	3	100	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_753	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic electricity*	BTO	1470 households have been registered as indigents and all 1470 receive free basic electricity	None	N/A	3	100	100	100	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_754	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free solid waste removal*	BTO	1470 households have been registered as indigents and about 660 receive free basic Waste Removal	None	N/A	3	100	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_33	Percentage debtors collection rate	BTO	R 251Million revenue billed and R 247Million collected which includes payments for debts older than year.	None	N/A	3	96.87	98	98	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_396	Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services)*	BTO	Out of R 251Million revenue billed in the current year R 19 Million is still outstanding	None	N/A	3.23	33.62	25	8	17

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_397	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure)*	BTO	Fixed monthly Expenditure= (135849348+272 63343+47474484)/12. Cost Coverage= (79026148/ 17548931)	None	None	5	646.44	200	450	-250
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M_51	Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD	Dev.	306 Jobs created by Exxaro; 2732 Jobs created by Eskom Contractors; 62 created through Palm park hotel and 36 created by Morongwa Mogale.	None	N/A	5	8785	850	87323	-86473
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M_688	Number of jobs created through municipal LED and capital projects (from municipal budget) YTD*	Dev.	105 jobs created through EPWP Waste programmes for the last quarter and cummulatively 1289 were created for the year	None	N/A	3.08	183	1280	1280	98
KPA4: Local Economic Development\ Create a conducive environment for	M_695	Number of Public Private Partnerships established YTD	Dev.	For the fourth quarter a partnership with the Lephalale	None	N/A	3	1	2	2	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
businesses to invest and prosper\ Marketing and Branding				Community Tourism Association was done, whereas in the past we partnered with Dept. of Small Business Development							
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Human Resource Management	M_404	Number of people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan*	Corp.	Positions MM, Manager Parks and communication were re-advertised thus leading to the lower performance.	Re-advertisement due suitable candidates not found and disputes on appointments.	To speedup appointments processes focusing on critical positions and implement employment equity policy. Introduce a quarterly recruitment plan and implement it.	2.87	29	31	27	4
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M_672	Employee Satisfaction rating	Corp.	There are no service standards in place to base satisfaction rating.	Prior to satisfaction rating, service standards must be developed and implemented first.	Assistance sought from COGSHTA on development of service standards in the first quarter of 2015-2016.	1	0	50	0	50
KPA5: Transformation and Organisational Development\ Improve	M_678	Number of LLF meetings held YTD	Corp.	Two meetings were held during the quarter and	Set dates not adhered to due to other urgent	Find alternative dates for	2.7	10	10	7	3

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
functionality, performance and professionalism\ Labour Relations and EAP				the third meeting for 30th June2015 postponed to July.	commitments.	meetings within period.					
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M_212	Percentage municipality's budget actually spent on implementing its workplace skills plan*	Corp.	We were able to spend as required per quarter.	None	N/A	3	2	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Anti-corruption	M_646	Number of incidents of corruption and fraud YTD	OMM	No incident was reported	None	N/A	3	3	0	0	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit Committee	M_649	Number of Audit committee meetings held successfully YTD	OMM	7 meetings held to date	None	N/A	5	4	4	7	-3
KPA6: Good Governance and Public Participation\	M_650	Number of Unqualified Audit Opinion received	BTO	Unqualified audit is achieved for financial year	None	N/A	3	0	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
Responsible, accountable, effective and efficient corporate governance\ Auditor General		from AG		2013/14							
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M_652	Number of audit findings against the municipality YTD	OMM	Out of 45 AG findings only 24 was resolved	Slow implementation resolution on audit action plan by management	MM to fast track the implementation of audit action plan	1.4	60	0	21	-21
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M_657	MEC IDP credibility rating	Strat.	Lephalale IDP was rated high	None	N/A	3	0	100	100	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Internal Audit	M_659	Number of internal audit findings against the municipality YTD	OMM	Internal Audit reviews were not done	Internal Audit was unable to perform follow up reviews on the audit findings due to man power.	Follow up reviews will be performed as soon as Internal Auditor is appointed.	1.57	41	20	46	-26
KPA6: Good Governance and	M_06	Number of Final Annual Reports	Strat.	The annual report was approved by	None	N/A	3	1	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management		approved by Council		Council at the end of March 2015							
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M_315	Number of performance assessments performed within 1 month after end of the quarter	Strat.	Third quarter assessment conducted by end of June	None	None	3	4	4	4	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Public Participation	M_663	Number of service delivery protests occurred	Strat.	One service delivery protest occurred. Seleka 4. Community complained about basic services like water and electricity.	Water and electricity project were already at implementation stage, lack of surface water leads to shortages in other parts of the village	Tanks were installed to increase reservoirs capacity and allow accessibility to all parts of the village	2.75	0	0	1	1
KPA6: Good Governance and Public Participation\ Responsible,	M_667	Percentage of risks that were identified for each quarter in the Risk	OMM	Only 64% of set risk mitigating controls were achieved during	Insufficient resources to implement the set controls	Controls reviewed during the risk assessment	1.64	0	100	64	36

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Dept .	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
accountable, effective and efficient corporate governance\ Risk Management		Plan that were attended to successfully YTD		the fourth quarter		and were considered during the budgeting for 2015/16 FY					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Ward Committees	M_208	Number of ward committees that are functional	Strat.	Three ward committees had issues but the Speaker has since intervened to bring normalcy	Continued hands-on approach by the Speaker remains critical to maintain the status	The Speaker to continue with the hands-on approach.	2.92	12	12	11	1

* Note: All indicators that are followed by an asterisk (*) are the General key Performance Indicators as prescribed by section 43 of the MSA and the Regulation 796 section 10.

STRATEGIC SERVICES:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M_322	Number of HIV/Aids campaigns held YTD	No meeting held in the last quarter. 3 were held YTD	The aids Council is not established at LLM	Establishment of the aids Council, for Lephalale to coordinate to the campaigns.	1	0	4	0	4
KPA6: Good Governance and Public Participation\ Capacitate	M_641	Number of special projects awareness campaigns held	A total of 5 more special projects were done in the fourth quarter, and	None	N/A	3.17	0	12	14	-2

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
disadvantaged groups\ Special Projects		YTD	14 YTD							
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M_651	Number of Unqualified Performance Opinion	Unqualified audit opinion achieved	None	None	3	0	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M_335	Number of media releases published YTD	A total of 9 more media releases issued to the media in the fourth quarter, total of 26 YTD	None	None	3.3	4	20	26	-6
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M_336	Number of media briefings held YTD	A total of 3 media briefings done	None	N/A	4.5	1	2	3	-1
KPA6: Good Governance and Public Participation\ Responsible,	M_654	Number social media platforms utilised for communication	Twitter and Face book are utilised as media platforms to keep the	None	N/A	3	0	2	2	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
accountable, effective and efficient corporate governance\ Communication			stakeholders and community abreast with matters of civil interest.							
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M_262	Number of IDP Rep forums meetings successfully held YTD	4 rep forums held in the past financial year	None	N/A	3	4	4	4	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M_325	Number of IDP road shows successfully held YTD	3 IDP road shows were held at Morwe village, Mongalo village and Lephalale town	None	N/A	3	3	3	3	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M_657	MEC IDP credibility rating	Lephalale IDP is rated high by MEC	None	N/A	3	0	100	100	0
KPA6: Good Governance and	M_658	Number of Final IDP approved by	Lephalale IDP is rated high by MEC	None	NA	3	0	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning		Council by end May	and was approved by Council by the end of May							
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M_06	Number of Final Annual Reports approved by Council	The annual report was approved by Council at the end of March 2015	None	N/A	3	1	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M_09	Number of Draft Annual Reports tabled to Council	Annual report was tabled on the 27th February 2014	None	N/A	3	1	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\	M_315	Number of performance assessments performed within 1 month after end of the quarter	Third quarter assessment conducted by end of June	None	N/A	3	4	4	4	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
Performance Management										
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M_43	Number of final SDBIP approved by the Mayor within 28 days after the approval of budget and the IDP	The SDBIP was signed by the Mayor on the 25th of June 2015	None	N/A	3	1	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M_48	Number of Annual Performance Reports submitted to auditor general by August 30th	APR Submitted to Auditor general by 31st August 2014	None	N/A	3	1	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Public Participation	M_663	Number of service delivery protests occurred	One service delivery protest occurred, Seleka 4 Community complained about basic services like water and electricity.	Water and electricity project were already at implementation stage, lack of surface water leads to shortages in other parts of the village	Tanks were installed to increase reservoirs capacity and allow accessibility to all parts of the village	2.75	0	0	1	1
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective	M_664	Number of public participation policies developed and approved by Council	No policy was developed for public participation	Public participation unit understaffed. No ample capacity to develop a policy	The Executive Manager Strategic Services is studying other	1	0	1	0	1

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
and efficient corporate governance\ Public Participation					existing policies from different municipalities so that it could be adapted to Lephalale Municipality					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Ward Committees	M_208	Number of ward committees that are functional	Three ward committees had issues but the Speaker has since intervened to bring normalcy	Continued hands-on approach by the Speaker remains critical to maintain the status	The Speaker to continue with the hands-on approach.	2.92	12	12	11	1

CORPORATE SUPPORT SERVICES:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Human Resource Management	M_404	Number of people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment	Positions MM, Manager Parks and communication were re-advertised thus leading to the lower performance.	Re-advertisement due suitable candidates not found and disputes on appointments.	To speedup appointments processes focusing on critical positions and implement employment equity policy. Introduce a quarterly recruitment plan	2.87	29	31	27	4

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
		equity plan			and implement it.					
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M_672	Employee Satisfaction rating	There are no service standards in place to base satisfaction rating.	Prior to satisfaction rating, service standards must be developed and implemented first.	Prior to satisfaction rating, service standards must be developed and implemented first.	1	0	50	0	50
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M_673	Number of EAP policies developed and approved by Council	EAP officer not appointed as the suitable candidates were not found to fill the position.	Targets set with view that EAP will be appointed and develop the policies however the position re-advertised and is for interviews.	Position re-advertised and appointment to be concluded in the first quarter of 2015-2016	1	0	1	0	1
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M_678	Number of LLF meetings held YTD	Two meetings were held during the quarter and the third meeting for 30th June2015 postponed to July.	Set dates not adhered to due to other urgent commitments.	Find alternative dates for meetings within period.	2.7	0	10	7	3
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\	M_680	Number of OHS audits conducted annually	OHS Audits were conducted as expected	None	N/A	3	0	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
Occupational health and Safety										
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M_212	Percentage municipality's budget actually spent on implementing its workplace skills plan	We were able to spend as required per quarter.	None	N/A	3	2	1	1	0
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M_687	Number of interns employed	The interns were appointed as required. Planned for 10 for FMG and sourced additional funding for the other 3 interns	None	N/A	3.3	0	10	13	-3
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ By-laws	M_653	Number of by-laws reviewed, approved by Council , public participation concluded and submitted for vetting and gazetted YTD	3 By-laws adopted by Council and vetted by COGSHTA.	Awaiting gazetted by COGSHTA	Department to follow up with COGSHTA for Gazetting	3		3	3	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective	M_655	Number of ordinary Council meetings held YTD	Nine Ordinary and 2 Special Council Meeting between January and June 2015.	None	N/A	5	10	4	11	-7

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
and efficient corporate governance\ Governance and Administration										
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Governance and Administration	M_656	Number of delegation of powers and functions reviewed to be in line with Constitutional requirements	Delegations will only be reviewed after next municipal elections	Not applicable - Delegations will only be reviewed after next municipal elections	Delegations to be reviewed after next municipal elections	0W	0	1	0	1
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ IT and Support	M_135	Number of ICT related policies and plans reviewed YTD	Policies were reviewed during the Council Meeting of 30 June 2015.	None	N/A	3	11	9	9	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Legal Services	M_661	Number of litigation / labour cases against the municipality negotiated for settlement YTD / number of litigation cases against the municipality YTD as Percentage	N/A	Not applicable - settlement of litigation cases are not in our control	Not applicable	0W	0	20	N/A	N/A

DEVELOPMENT PLANNING:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M_114	Percentage of building contraventions attended (submitted for legal action) within 1 month from detection	19 contraventions were detected and notices were issued	None	N/A	3	100	100	100	0
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M_270	Percentage of building plans assessed within 1½ months (6 weeks) of receipt of building plans	From the 41 building plans application received 41 building plans were assessed within 6 weeks of receipt	None	N/A	3	100	100	100	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M_144	Average % of land use (rezoning, special consent for other uses) applications considered by EXCO within 2 months of receipt of application	A total of 23 out of 23 applications were considered by EXCO in Compliance with the stipulation of the Ordinance 15 of 1986 and Lephalale Town Planning scheme	None	N/A	3	100	100	100	0
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M_243	Average % of land use (township establishment) applications considered by Exco within 4 months of receipt of application YTD	1 application was considered from the backlog (MTP9/2015[2]). No submission was made attached to the procedure to establish a township within a period of 3 months prior and during this financial year quarter.	None	N/A	3	0	100	100	0
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M_51	Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD	306 Jobs created by Exxaro; 27732 Jobs created by Eskom Contractors; 62 created through Palm park hotel and 36 created by Morongwa Mogale.	None	N/A	5	8785	850	87323	-86473

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M_688	Number of jobs created through municipal LED and capital projects (from municipal budget) YTD	105 jobs created through EPWP Waste programmes for the last quarter and cumulatively 1289 were created for the year	None	N/A	3.08	183	1280	1378	-98
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M_695	Number of Public Private Partnerships established YTD	For the fourth quarter a partnership with the Lephalale Community Tourism Association was done, whereas in the past we partnered with Dept. of Small Business Development	None	N/A	3	1	2	2	0
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M_696	Number of meetings held with strategic partners YTD	LED Working group LFD Main Forum Agri. master plan progress report Presentation by Techno Serve on Master plan	None	N/A	5	0	2	4	-2

BUDGET AND TREASURY:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M_17	Number of Asset Verification conducted YTD	The Services provider has done interim verification second quarter while doing inventory on assets. The second verification was done in the last quarter.	None	N/A	3	1	2	2	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M_630	Liquidity ratio (R-value assets / R-value liabilities as %)	Assets = R199354934/73043 527 (Current assets less stock/ current liabilities.	None	N/A	4.37	660	200	273	-73
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M_25	Number of quarterly financial reports submitted to Council YTD	Total of 4 reports submitted YTD, inclusive of 4th qtr. of previous YF. 4th Quarter report for 14/15 FY to be submitted for Agenda	None	N/A	3	4	4	4	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M_281	Number of Annual Financial Statements submitted to the Auditor General on time (by end August)	Submitted in time at end August 2014	None	N/A	3	1	1	1	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M_632	Number of quarterly interdepartmental meetings held to discuss budget matters	Only 2 interdepartmental meetings held YTD	Poor planning of the meetings	Planning to be in the beginning of the financial year for the whole year.	1.5	0	4	2	2
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Demand and acquisition	M_285	Average number of days between closing of tender and adjudication YTD	On average tenders were adjudicated within 90 days	Validity had to be requested for the period	The regular adjudication meetings were arranged	3.1	60	90	63	27
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_205	Debt coverage (total R-value operating revenue received minus R-value Operating grants, divided by R-value debt service payments (i.e. interest + redemption) due within financial year)	As per attached report = (262262848/19699 111). Total cash received/ capital redemption plus interest on loans	None	N/A	5	1 367	200	1331	-1131

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_398	Percentage Capital budget actually spent on capital projects identified for financial year i.t.o. IDP	Only total of 51% expenditure on all the IDP capital projects.	Municipality could not find suitable service providers on time due to non-responsiveness of service providers	Stick to forward planning, which is advertisement for planning and design a year earlier than advertising for construction	1.51	74.61	100	51	49
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M_717	Percentage infrastructure capital budget spent YTD	Only 73% of Infrastructure Capital budget has been spent YTD	Municipality could not find suitable service providers on time due to non-responsiveness of service providers	Stick to forward planning, which is advertisement for planning and design a year earlier than advertising for construction	2.73	0	100	73	27
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_638	Number of updated and credible indigents register in place	The updating of indigent register is an ongoing process and the register is being updated each time a new application is received	None	N/A	3	1	1	1	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_751	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic water	1470 households have been registered as indigents and all 1470 receive free basic water	None	N/A	3	100	100	100	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_752	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic sanitation	1470 households have been registered as indigents and all 1470 receive free basic sanitation	None	N/A	3	100	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_753	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic electricity	1470 households have been registered as indigents and all 1470 receive free basic electricity	None	N/A	3	100	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M_754	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free solid waste removal	1470 households have been registered as indigents and about 660 receive free basic Waste Removal	None	N/A	3	100	100	100	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_33	Percentage debtors collection rate	R 251Million revenue billed and R 247Million collected which includes payments for debts older than year.	None	N/A	3	96.87	98	98	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_345	R-value Debt amount owed to the municipality	Total of R153 130 385.70 debt is still owed to the Municipality. Amount Municipality planned to collect was not achieved	Medupi strike had a negative impact on the revenue collection of the Municipality. Collection in Marapong and farms is also a challenge.	The Municipal Debt collectors have already started with the process of blacklisting and issuing summons for debtors in Marapong and farms	2.95	134 m	135 m	153 m	18m!
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_396	Percentage outstanding service debtors to revenue (R-value total outstanding service debtors divided by R-value annual revenue actually received for services)	Out of R 251Million revenue billed in the current year R 19 Million is still outstanding	none	none	3.23	33.62	25	8	17

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_397	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure)	Fixed monthly Expenditure= (135849348+27263 343+47474484)/12. Cost Coverage= (79026148/ 17548931)	None	None	5	646.44	200	450	-250
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_637	Number of credit control policies reviewed and approved by Council	Credit control policy was reviewed during the budget process	None	N/A	3	0	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M_650	Number of Unqualified Audit Opinion received from AG	Unqualified audit is achieved for financial year 2013/14	None	N/A	3	0	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate	M_740	Number of audit findings against the municipality regarding financial statements	There were 26 findings from the financial statements	Poor Municipal event management and non-compliance to SCM regulations	Workshop on municipal SCM Policy to be organised for staff continuously.	1	0	0	26	26

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
governance\ Auditor General										

SOCIAL SERVICES:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Coordination of Public Transport Services	M_699	Number of meetings held with stakeholders in the public transport sector YTD	Meeting with Dept. of Transport and Taxi Associations held on 13 May 2015 totalling to 4 meetings YTD	None	N/A	3	0	4	4	0
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M_700	Number of green economy initiatives (planting of trees, invasive alien plant clean-up programme) implemented YTD	Trees planted in first qtr. One LIMA campaign held and one alien species removal done	None	N/A	4.5	0	2	3	-1

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M_702	Number of environmental education programmes implemented YTD	2 Environmental education campaigns were conducted in the fourth quarter and a total of 5 were conducted during the year.	None	N/A	5	0	4	7	-3
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Fire Protection Services	M_360	Number of fire prevention awareness campaigns conducted YTD	3x fire prevention awareness campaigns conducted.	Lack of materials.	Material supplied on last quarter.	1.67	21	12	8	4
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services	M_172	Number of library campaigns held YTD	All library campaigns achieved in third quarter.	None	N/A	3	4	4	4	0
KPA2: Service Delivery and Infrastructure Development\ Protect	M_395	Average number of weeks turnaround time between	Average number of week turnaround is one.	None	N/A	3.12	3	3	1	2

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
the environment and improve community well-being\ Registry		application for learner licence test until actually being tested								
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M_703	Number of speed checks held YTD	The Speed measuring machine was dysfunctional and sent for repairs. Chairperson of BAC recommended specification to procure new machine be reviewed.	Speed machine not yet purchased due to recommendation from Chairperson of BAC	To be re-advertised in the 2015/16 financial year	1.15	80	170	26	144
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M_704	Number of joint law enforcement operations with other law enforcement agencies undertaken YTD	2x joint law enforcement operations with other law enforcement agencies were undertaken in fourth quarter, totalling 5 YTD	None	N/A	3.25	0	4	5	-1
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Safety and Security	M_706	Number of functional safety and security forums	4x functional safety and security forums are attended to, namely 1. JPC meetings 2. CPF meetings	None	N/A	4.33	3	3	4	-1

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Sustainable and Integrated Rural Development	M_707	Number of human settlement development plans developed and approved by Council	No human settlement development plan developed this FY, but we are currently operating within the Human Settlement framework developed in 2014	Lack of budget.	Submission of budget request in 2016/17 financial year.	1	0	1	0	1
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Thusong Centre	M_380	Number of services (i.t.o. SLA) established at MPCC YTD	Total of 7 services are established at Thusong centre, including amongst others: SAPS, SASSA, Home Affairs, Social Development, Agriculture, Parliamentary Office, Library and Licensing	Lease agreements not finalised for every occupant, that have a negative impact to Municipal income	Social service Department to engage sector departments to finalise the agreements	2.7	10	10	7	3

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M_250	Number of urban household provided with weekly refuse removal	General non-hazardous waste collected in all 13652 households and additional 6759 households at rural villages has access to refuse removal	None	N/A	3	13 652	13 652	13 652	0
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M_402	Percentage households with access to basic level of solid waste removal	Of the total households (i.t.o. the IDP) 13652 households are receiving waste removal services on monthly basis and about 6759 households at rural villages has access since February 2015 FY, therefore about 20411 households and informal settlements receive basic level of waste removal	None	N/A	3	46	70	70	0
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community	M_708	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off	Refuse removal services provided in 5 villages namely: Setateng Mmatladi Ga-Monyeki	None	N/A	3	0	5	5	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
well-being\ Waste Management		system and community contractors	Mokurunyane Ga-Seleka							
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M_709	Number of Integrated Waste Management Plans reviewed	I X Waste information strategy reviewed	None	N/A	3	0	1	1	0

INFRASTRUCTURE SERVICES:

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M_701	Number of new parks constructed in rural areas	One park at Sefitlhogo was established and officially handed over to the municipality	None	N/A	3	3	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M_340	Percentage of Electrical losses	Electricity losses are at 13.6% for the fourth quarter which is a little improvement but still running at a loss	None	N/A	3.03	20	15	13.6	1.4
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M_341	Number of Smart Meters installed YTD	709 meters were installed from April to June and 912 meters year to date.	None	N/A	2.4	5 072	1400	912	488

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M_710	Number of urban transformers upgraded YTD	3 Transformers were upgraded YTD.	None	N/A	1	3	3	0	3
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (New Infrastructure)	M_401	Percentage households with access to basic level of electricity	92% of households have electricity. i.e. about 27424 households	None	N/A	3.02	87.5	90	92	-2
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained	M_713	Number of energy efficiency audits conducted	Energy efficiency audit conducted.	None	N/A	3	0	1	1	1

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
infrastructural services in all municipal areas\ Energy Efficiency										
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Energy Efficiency	M_714	Number of by-laws pertaining to energy efficiency program reviewed and approved by Council	No energy efficiency by-law reviewed	The energy efficiency audit was concluded at the end of the fourth quarter	With results from the energy efficiency audit, the by-law will be developed. .	1	0	1	0	1
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading	M_218	Number of villages in which access roads bladed	All of the 40 villages internal streets were bladed during the fourth quarter	None	N/A	3	18	40	40	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and	M_226	Number of square meters roads resealed	No roads have been resealed	Delay in procurement process.	Fast track the appointment process.	1	0	6 395	0	6395

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
well maintained infrastructural services in all municipal areas\ Roads and Storm water – Maintenance and Upgrading										
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M_166	Number of new VIPs constructed YTD	180 VIP units were constructed.	None	N/A	3	46	180	180	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M_400	Percentage households with access to basic level of sanitation	28106 households have access to basic level of sanitation	None	N/A	3.01	90	94	94.5	-0.5

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M_723	Green drop water quality standard rating (only tested bi-annually)	None	No results yet from the Department.	The Municipality will follow up with the department about the release of the green drop results	0W	60	80	N/A	N/A
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M_725	Number of general sampling of effluent conducted at waste water treatment plants	Sampling was not done	Service Provider not appointed for waste water sampling analysis (non-responsive tenders)	Re-advert and make sure Service Providers are complying	1	0	12	0	12
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M_399	Percentage households with access to basic level of water	The WSA managed to eradicate the back log on all formal settlements. About 28208 households have access to basic level of water	None	N/A	3.04	87	94	98	-4

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M_726	Number of surveys and feasibility studies for development of technical report and realistic funding requirements conducted	The Bulk Water feasibility Study, Implementation plan was completed.	None	N/A	3	0	1	1	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M_727	Number of households utilising water supply (not necessarily 24/7) at least within 200m of households (outside dwelling and yards)	A total of 28208 households has access to basic level of water	None	N/A	3.01	21 656	27 950	28 208	-258
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water loss	M_81	Percentage of water losses YTD	Water loss for the fourth quarter was calculated as 10.37%.	None	N/A	3	15	14	10.37	3.63

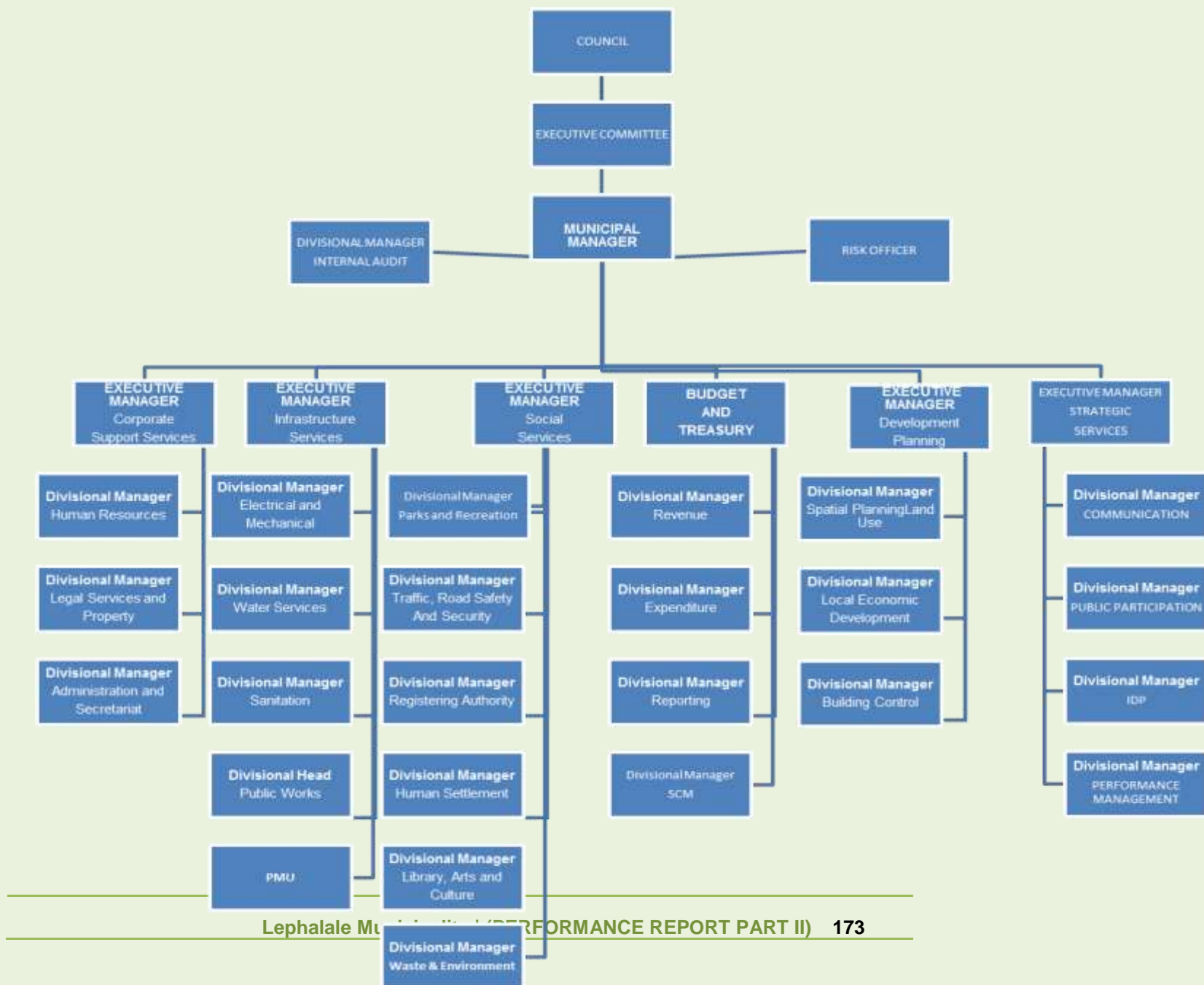
Hierarchy (KPA\ Strategic Objective\ Programme)	ID	KPI	Comment	Challenges	Corrective Action	Score	2013/14 Actual	Annual Target 14/15	Actual 14/15	Variance from Annual target
(unaccounted water)										
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M_640	Number of applications for transfer of becoming electricity licensed area within Marapong compiled and submitted	Encountered delays in procuring services of a legal firm to initiate the process	Encountered delays in procuring services of a legal firm to initiate the process	Fast track the procurement process	1	0	1	0	1

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

INTRODUCTION

In the light of the actual and potential development challenges the Municipality reviews its organizational structure in order that the structure should reflect how the municipality has organized its resources and competencies for the purpose of delivering on core responsibilities. The political structure consists of Council and the executive committee. The administration consists of the office of the Municipal Manager and five Departments: Corporate Service, Budget & Treasury, Development Planning Services, Infrastructure Services, Social Services and Strategic Management.





COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTAL, TURNOVER RATE AND VARIANCES

EMPLOYEES					
Description	2013\14	2014/15			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	45	54	44	10	19%
Waste Water (Sanitation)	33	39	34	5	13%
Electricity	43	48	44	4	8%
Waste Management	53	60	56	4	7%
Housing	5	5	5	0	0%
Waste Water (Storm water Drainage)					
Roads	42	47	45	2	4%
Transport					
Planning	11	10	8	2	20%
Local Economic Development	1	2	1	1	50%
Planning (Strategic & Regulatory)	30	33	28	5	15%
Local Economic Development					
Community & Social Services	17	19	18	1	5%
Environmental Protection					
Health					
Security and Safety	42	46	42	4	9%
Sport and Recreation	40	49	42	7	14%
Corporate Policy Offices and Other	86	104	90	14	13%
Totals	448	516	457	59	11%
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					

Current institutional capacity constraints within Lephalale municipality will impede the achievement of development targets for Limpopo Coal and Petrochemical cluster. The most critical constraints in the context of the cluster are in technical services, both at operational levels. Specific areas of acute constraints are in electricity, water and sanitation.

Lephalale municipality is on a process of changing and improving its organizational structure to be in line with new demands of developments in area. Critical positions are filled except for some Sec 56 positions which loose incumbents due attractive pecks elsewhere.

Department	Number of Positions 14/15						
	Management	Technical	Labour	Support	Total	Vacant	%Vacant
Infrastructure Services	6	52	125	13	196	21	11%
Social Services	7	4	110	65	186	18	10%
Corporate Support Services	4	3	16	21	44	5	11%
Budget and Treasury	5	0	1	45	51	7	14%
Planning and Development	4	8	0	5	17	3	18%
Office of Municipal Manager	7	0	2	13	22	5	23%
Total Positions	33	67	254	162	516	59	11%

Vacancy Rate 2014/15			
Designations	*Total Approved Posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category) %
Municipal Manager	1	10 Months	
CFO	1	0	
Other S57 Managers (excluding Finance Posts)	5	1 Months	
Other S57 Managers (Finance posts)			
Municipal Police	10	24 Months	
Fire fighters	9	18 Months	
Senior management: Levels 13-15 (excluding Finance Posts)	55	139 Months	
Senior management: Levels 13-15 (Finance posts)	12	12 Months	
Highly skilled supervision: levels 9-12 (excluding Finance posts)	109	92 Months	
Highly skilled supervision: levels 9-12 (Finance posts)	25	24 Months	
Total	227	320 Months	
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). 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.			

- The process of developing a mechanism of cascading of performance management system has not yet been concluded. At individual level only section 56 managers have signed performance contracts in accordance with section 57 of the MSA.
- The challenge of attraction and retention of skilled personnel to implement the powers and functions
- The positions of Municipal Manager has been vacant for more than twelve months

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Death 2, Resignation 8, Pension 7 and end of contract 4	448	21	4.68%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Affirmative Action	100%	In process	Incorporate in EE Policy 2011
2	Attraction and Retention	100%	2010	Item A/40/2010
3	Code of Conduct for employees	100%		Adopted by Council as amended at Bargaining Council from time to time.
4	Delegations, Authorisation & Responsibility	100%		A197/2012
5	Disciplinary Code and Procedures	100%		B61/2010
6	Essential Services			Not yet concluded
7	Employee Assistance / Wellness			
8	Employment Equity		In process of review	A/24/ 2011
9	Exit Management			Draft for Council
10	Grievance Procedures	100%		Adopted by Council as

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
				amended at Bargaining Council from time to time.
11	HIV/Aids	100%		A/278/2003
12	Human Resource and Development	100%		2011 A118) 2011[10]
13	Information Technology	100%		2015
14	Job Evaluation	100%		Adopted by Council as amended at Bargaining Council from time to time.
15	Leave	100%		2010
16	Occupational Health and Safety			A 28/2010
17	Official Housing	60%		Not yet adopted by Council
18	Travel and Subsistence Policy	100%		
19	Official transport to attend Funerals	100%	In process of review	2011
20	Official Working Hours and Overtime	100%		2015
21	Organisational Rights	100%		Adopted by Council as amended at Bargaining Council from time to time.
22	Payroll Deductions			
23	Performance Management and Development	100%		2010
24	Recruitment, Selection and Appointments	100%	In process of review	2011
25	Remuneration Scales and Allowances	100%		2014
26	Resettlement			
27	Sexual Harassment	100%		2003
28	Skills Development	100%	2011	A178/2011
29	Smoking	N/A		
30	Special Skills	N/A	N/A	
31	Work Organisation	N/A		2014
32	Uniforms and Protective Clothing			2015
33	Overtime Policy	100%		2015

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	45	4	8%	8	
Temporary total disablement	0	0	0	0	
Permanent disablement	0	0	0	0	
Fatal					
Total	45	4	8%	8	400

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
L1-L16	2533	2%	400	458	5,7	
Total	2533	2%	400	458	5.7	
* - Number of employees in post at the beginning of the year						

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
1.Manager Sanitation	He signed off a take-over certificate for the Waste Water treatment Works Project at Marapong whilst the project was unfinished and un-operational. R 818 452.02	23 December 2013	The matter is still on-going.	Not yet finalised
2.Manager: Water Services	He signed a take-over certificate for the Marapong 8.5 ML Reservoir whilst it was un-finished, un-operational and not functional. R 818 452.02	23/12/2013	The matter is still on-going	Not yet finalised
3.Manager: Electrical & Mechanical	Charged with misconduct for changing the scope of work for projects without following the proper approval processes in terms of the Municipal Finance Act no 56 of 2003 in the capital projects	11 April 2014	Preparing application for condonation	Not yet finalised
4.Superintendent (Horticulturist)	Deliberately separated the orders into smaller amount without the prior consent and or approval. Conducted business with employer	16/04/2014	Preparing application for condonation	Not yet finalised

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
1. Mr LR Lebogo	Mr Lebogo allegedly auctioned 12 assets without Council approval.	Yes	Finalised
2. Mr E Jacobs	Changing the scope of work on projects without following the proper procedure.	Yes	Ongoing
3. Ms MM Molefe	Deliberately separated orders and conducted business with Municipality.	Yes	Ongoing
4. Mr KA Leseke	Requested payment to Matlala and Associates on the 28 October 2010 whilst the project was not yet completed.	Yes	On-going
5. Mr MA Shiko	Obligated to perform tasks and job responsibilities, diligently, carefully and to the best of one's ability while serving as a member of Bid Evaluation Committee.	Yes	On-going
6. Mr RJ Ngobeli	28 October 2010 approved payment to Matlala and associates, whilst the project not completed.	Yes	Ongoing

4.4 PERFORMANCE REWARDS

Performance Evaluations for 2013/14 were conducted on 15th May 2015 and the result of the evaluations is as summarized here below.

- (1) The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- (2) A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that -
 - (a) A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - (b) A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

In order to narrow the gap of 5% to 9% and of 10% to 14% bonuses, the following sliding scale are applied in terms of the scoring scales set out in the Performance Agreements:

% Over-all Performance Score	% Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

Therefore bonuses can only come into consideration once an employee achieves an overall score of at least 130%, any overall performance scores below that will not be in line for any bonuses.

In terms of the Municipal Systems Act, Act 32 of 2000, section 57 (4B) Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal Council concerned.

The results of the evaluations as calculated are as follows:

NAME	POSITION	FINANCIAL YEAR	OVERALL SCORE
Mr. Noko Charles Lekaka	Chief Financial Officer	2013/14	115.53%
Mr. Khoroshi Simon Motebele	Executive Manager: Strategic Management	2013/14	105.21%

Mr. Lesibana Simon Thobane	Executive Manager: Social Services	2013/14	98.02%
Mr. Kgabo Laurence Tlhako	Executive Manager: Infrastructure Services	2013/14	91.86%

RECOMMENDATIONS

The scoring method mention under point 7 above and the nature of the indicators make it difficult or impossible to achieve the minimum overall score for a bonus, namely an overall score of 130% in order to earn a bonus, However.

- The scoring should remain in line with the Performance Management regulations number 805 prescripts.
- None of the executive managers qualifies for a bonus; as a result no bonus must be paid out by the municipality for 2013/14 financial year.
- A through job evaluation must be conducted for a position of executive manager strategic services and benchmarking with other municipalities in the category of Lephalale municipality must done must be done in order to determine the future of the position.
- Competency tests to done for all executive managers and future appointments to always go through the competency assessment before the appointment is done.

CONCLUSION

The Lephalale Local Municipality has successfully conducted the Annual Individual Performance Evaluation for the financial year 2013/14.

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2014/15	Proportion of beneficiaries within group
				R' 000	%
Lower skilled (Levels 1-2)	Female	/A	N/A	0	

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2014/15	Proportion of beneficiaries within group
				R' 000	%
	Male	N/A	N/A	0	
Skilled (Levels 3-5)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Highly skilled production (levels 6-8)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Highly skilled supervision (levels 9-12)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
Senior management (Levels 13-15)	Female	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A
MM and S57	Female	2	0	0	0
	Male	5	0	0	0
Total					
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based, should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).					

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2014	Number of skilled employees required and actual as at 30 June 2015											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual 30 June 2014	Actual 30 June 2015	Target	Actual 30 June 2014	Actual 30 June 2015	Target	Actual 30 June 2014	Actual 30 June 2015	Target	Actual 30 June 2014	Actual 30 June 2015	Target
MM and S57	Female	01	02	02	02	02	02	02	0	02	00	02	00	00
	Male	05	01	02	05	04	05	09	0	00	00	00	00	00
Councillors, senior officials and managers	Female	22	03	03	07	07	10	10	01	04	01	01	10	10
	Male	25	02	04	06	02	04	04	01	02	01	02	04	04
Technicians and associate professionals	Female	13	00	00	00	01	01	03	00	01	00	01	04	04
	Male	48	00	00	00	14	14	14	00	02	00	13	18	18
Professionals	Female	12	04	04	04	01	01	03	01	02	01	4	03	03
	Male	23	08	08	08	03	03	05	07	01	07	5	08	08
Sub total	Female	48	09	09	09	11	14	18	02	9	00	08	17	17
	Male	101	11	14	19	23	26	32	08	5	00	18	30	30
Total		149	20	23	28	34	40	50	10	14	10	26	47	47

The following category of Employees is not included. 7 Male and 1 Female Community Services, 48 fem & 101 Males from Clerical & Admin workers, 59 Female & 151 Males from Unskilled and defined decision making.

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	1	1	1
<i>Chief financial officer</i>	1	0	1	1	1	1
<i>Senior managers</i>	3	0	3	3	3	3
<i>Any other financial officials</i>	38	0	38	38		38
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>		0		0	0	0
<i>Supply chain management senior managers</i>	1*	0	1	1	0	1
TOTAL	44	0	44	44	5	44
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

Two (2) Executive Managers, one (1) SCM Manager and one (1) Financial Officer are been registered for 2014/15 Financial year and are training with Ce at University of Pretoria for this MFMA Competency Regulations (June 2007)

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/15							
			Learner ships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2	2	2			0	2	0	144 666.00
	Male	5			1	1	0	0	0	23 900.00
Legislators, senior officials and managers	Female	22	2	2	4	4	1	4	1	165187.20
	Male	25			5	5	1	2	1	332044
Professionals	Female	14			7	7	1	2	1	48412.80
	Male	23			8	8	7	2	7	92180.52
Technicians and associate professionals	Female	13			2	2	0	1	0	19079.20
	Male	48			7	7	0	2	0	75962.86
Clerks	Female	46			6	6				40190
	Male	24			7	7				52355.28
Service and sales workers	Female	1			1	1				14683.20
	Male	8			3	3				35124
Plant and machine operators and assemblers	Female	9			1	1				8 875.70
	Male	42			6	6				53 254.30
Elementary occupations	Female	59			1	1				4960.00
	Male	119			3	3				21960.00
Sub total	Female	151	2	2	22	22	2	9	2	292512.40
	Male	294	2	2	40	40	8	5	8	609626.66

Skills Development Expenditure

R'000

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2014/15							
			Learner ships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Total		470	4	4	66	66	10	14	R800 000	902139.06
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1,27%*	*R902 139.12

No positions were upgraded in the financial year 2014/15 financial year.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	00
	Male	00
Highly skilled production (Levels 6-8)	Female	00
	Male	00
Highly skilled supervision (Levels 9-12)	Female	00
	Male	00
Senior management (Levels 13-16)	Female	00
	Male	00
MM and S 57	Female	00
	Male	00
Total		00
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash Flow Management and Investment.
- Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	41 948	47 544	45 838	3 380	44 152	45 838	(1 686)	-4%	–
Service charges	163 782	176 700	179 311	4 990	183 959	179 311	4 648	3%	–
Investment revenue	5 893	6 415	7 269	268	5 506	7 269	(1 764)	-24%	–
Transfers recognised - operational	92 654	89 500	89 548	568	89 369	89 548	(179)	-0%	–
Other own revenue	17 015	31 912	41 909	7 557	39 549	41 909	(2 360)	-6%	–
Total Revenue (excluding capital transfers and contributions)	321 293	352 072	363 875	16 764	362 534	363 875	(1 341)	-0%	–
Employee costs	113 126	124 111	128 688	26	127 368	128 688	(1 320)	-1%	–
Remuneration of Councillors	6 704	6 847	7 270	643	8 150	7 270	879	12%	–
Depreciation & asset impairment	64 514	60 603	58 486	186	63 290	58 486	4 804	8%	–
Finance charges	14 391	11 885	11 885	744	15 593	11 885	3 708	31%	–
Materials and bulk purchases	95 199	106 448	107 974	897	102 993	107 974	(4 981)	-5%	–
Transfers and grants	1 126	1 182	1 037	551	1 182	1 037	145	14%	–
Other expenditure	88 520	83 830	88 390	10 762	109 619	88 390	21 229	24%	–
Total Expenditure	383 579	394 906	403 731	13 809	428 195	403 731	24 464	6%	–
Surplus/(Deficit)	(62 286)	(42 834)	(39 856)	2 955	(65 661)	(39 856)	(25 806)	65%	–
Transfers recognised - capital	79 794	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	–
Contributions & Contributed assets	–	–	–	–	119 304	–	119 304	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions	17 508	6 963	15 945	13 599	90 577	15 945	74 631	468%	–

LIM362 Lephalale - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	17 508	6 963	15 945	13 599	90 577	15 945	74 631	468%	–
<u>Capital expenditure & funds sources</u>									
Capital expenditure	–	66 963	97 240	13 325	47 957	97 240	(49 283)	-51%	–
Capital transfers recognised	–	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	17 167	41 439	2 681	11 022	41 439	(30 417)	-73%	–
Total sources of capital funds	–	66 963	97 241	13 325	47 957	97 241	(49 284)	-51%	–
<u>Financial position</u>									
Total current assets	198 964	149 992	228 928		201 201				–
Total non-current assets	1 095 139	1 163 543	1 045 170		1 204 762				–
Total current liabilities	71 775	49 798	75 891		73 913				–
Total non-current liabilities	130 414	132 179	128 715		133 426				–
Community wealth/Equity	1 091 914	1 131 557	1 069 492		1 198 624				–
<u>Cash flows</u>									
Net cash from (used) operating	53 906	62 698	98 656	11 090	30 993	98 997	68 004	69%	–
Net cash from (used) investing	(85 418)	(66 863)	(97 241)	(10 644)	(47 128)	(97 241)	(50 113)	52%	–
Net cash from (used) financing	(5 200)	–	–	–	(3 904)	–	3 904	#DIV/0!	–
Cash/cash equivalents at the month/year end	79 843	39 820	93 782	–	59 763	94 124	34 361	37%	79 802
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	10 538	6 668	7 096	6 225	5 931	5 317	25 122	86 234	153 130
<u>Creditors Age Analysis</u>									
Total Creditors	–	–	–	–	–	–	–	–	–

5.2 GRANTS

5.1 GRANTS PERFORMANCE

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-		-
Vote 3 - Corporate services		-	-	-	-	-	-	-		-
Vote 4 - Social Services		-	-	-	-	-	-	-		-
Vote 5 - Infrastructure Services		-	25 260	25 260	-	-	25 260	(25 260)	-100%	-
Vote 6 - Planning Development		-	-	-	-	-	-	-		-
Vote 7 - Office of the Strategic Services		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	25 260	25 260	-	-	25 260	(25 260)	-100%	-
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		-	934	1 370	166	1 156	1 370	(214)	-16%	-
Vote 2 - Budget and Treasury		-	84	851	48	284	851	(568)	-67%	-
Vote 3 - Corporate services		-	992	3 299	-	515	3 299	(2 784)	-84%	-

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Vote 4 - Social Services		–	7 470	11 140	–	498	11 140	(10 642)	-96%	–
Vote 5 - Infrastructure Services		–	31 182	52 778	13 110	44 899	52 778	(7 880)	-15%	–
Vote 6 - Planning Development		–	386	1 886	–	46	1 886	(1 840)	-98%	–
Vote 7 - Office of the Strategic Services		–	656	656	–	559	656	(97)	-15%	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	41 704	71 981	13 325	47 957	71 981	(24 024)	-33%	–
Total Capital Expenditure		–	66 963	97 240	13 325	47 957	97 240	(49 283)	-51%	–
<u>Capital Expenditure - Standard Classification</u>										
<i>Governance and administration</i>		–	2 666	6 178	215	2 514	6 178	(3 663)	-59%	–
Executive and Council		–	656	656	166	1 715	656	1 059	161%	
Budget and treasury office		–	84	852	48	284	852	(568)	-67%	
Corporate services		–	1 926	4 669	–	515	4 669	(4 154)	-89%	
<i>Community and public safety</i>		–	5 970	8 318	–	498	8 318	(7 820)	-94%	–
Community and social services		–	5 970	8 318	–	498	8 318	(7 820)	-94%	
Sport and recreation								–		
Public safety								–		
Housing								–		
Health								–		
<i>Economic and environmental services</i>		–	11 635	24 109	3 983	16 581	24 109	(7 528)	-31%	–

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Planning and development		–	386	1 886	–	46	1 886	(1 840)	-98%	
Road transport		–	11 249	22 223	3 983	16 535	22 223	(5 688)	-26%	
Environmental protection								–		
Trading services		–	46 692	58 636	9 127	28 364	58 636	(30 273)	-52%	–
Electricity		–	5 580	10 210	–	5 145	10 210	(5 065)	-50%	
Water		–	39 112	42 161	9 127	23 170	42 161	(18 991)	-45%	
Waste water management		–	500	3 444	–	49	3 444	(3 395)	-99%	
Waste management		–	1 500	2 822	–	–	2 822	(2 822)	-100%	
Other								–		
Total Capital Expenditure - Standard Classification	3	–	66 964	97 241	13 325	47 958	97 241	(49 283)	-51%	–
Funded by:										
National Government		–	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		–	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	–
Public contributions & donations	5							–		
Borrowing	6							–		
Internally generated funds		–	17 167	41 439	2 681	11 022	41 439	(30 417)	-73%	
Total Capital Funding		–	66 963	97 241	13 325	47 957	97 241	(49 284)	-51%	–

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The total expenditure on MIG fund was 100%.in the 2014/15 financial, No roll overs on MIG Projects

The other grants received were spent. MSIG, MWIG

5.3 ASSET MANAGEMENT

Lephalale municipality has an audited asset register for the financial 2014/15 the asset management unit is reviewing and updating the register as assets after acquired, completed or purchased.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2014/15

Asset 1

Name	Mokuruanyane Rural Water Scheme Phase 4			
Description	Installation of Water reticulation and storage in rural village			
Asset Type	Immovable			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2012/13	2013/14	2013/14	2014/15
				14 617 845
Capital Implications	Improve the water service delivery to the community			
Future Purpose of Asset	Improve the water supply to the community in the villages			
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 2

Name	Seleka Witpoort Rural Water Scheme Phase 4			
Description	Installation of Water reticulation and storage in rural village			
Asset Type	immovable			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2011/12	2012/13	2013/14	2014/15
				1 787 473
Capital Implications				
Future Purpose of Asset	Improve the water service delivery to the community			
Describe Key Issues	Improve the water supply to the community in the villages			
Policies in Place to Manage Asset				

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2014/15				
Asset 3				
Name	Strom Water Channel - Onverwacht			
Description	Construction of Strom Water Channel - Onverwacht			
Asset Type	immovable			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2011/12	2012/13	2013/14	2014/15
				3 004 242
Capital Implications				
Future Purpose of Asset	The improvement of the lives of the community by diverting water from the streets to the storm water channel			
Describe Key Issues				
Policies in Place to Manage Asset				

5.3.1 ASSET MANAGEMENT (REPAIRS & MAINTANANCE)

LIM362 Lephalale - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		-	14 322	14 322	2 012	14 914	14 322	(592)	-4.1%	-
Infrastructure - Road transport		-	4 953	4 953	1 101	4 318	4 953	635	12.8%	-
Roads, Pavements & Bridges			4 953	4 953	1 101	4 318	4 953	635	12.8%	
Storm water								-		
Infrastructure - Electricity		-	2 644	2 644	9	2 726	2 644	(82)	-3.1%	-
Generation								-		
Transmission & Reticulation			2 644	2 644	9	2 726	2 644	(82)	-3.1%	
Street Lighting								-		
Infrastructure - Water		-	2 448	2 448	268	2 295	2 448	153	6.2%	-
Dams & Reservoirs								-		
Water purification			2 448	2 448	268	2 295	2 448	153	6.2%	
Reticulation								-		
Infrastructure - Sanitation		-	3 655	3 655	399	4 375	3 655	(720)	-19.7%	-
Reticulation								-		
Sewerage purification			3 655	3 655	399	4 375	3 655	(720)	-19.7%	
Infrastructure - Other		-	621	621	237	1 199	621	(577)	-92.9%	-
Waste Management			621	621	237	1 199	621	(577)	-92.9%	
Transportation								-		
Gas								-		
Other								-		
Community		-	621	621	92	301	621	319	51.5%	-
Parks & gardens			491	491	69	247	491	244	49.7%	
Sports fields & stadia								-		
Swimming pools								-		
Community halls								-		

LIM362 Lephalale - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Libraries			73	73	1	31	73	42	57.1%	
Recreational facilities								-		
Fire, safety & emergency								-		
Security and policing								-		
Buses								-		
Clinics								-		
Museums & Art Galleries								-		
Cemeteries			56	56	21	22	56	34	60.2%	
Social rental housing								-		
Other								-		
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
		-	-	-	-	-	-	-		-
Investment properties										
Housing development								-		
Other								-		
		-	-	-	-	-	-	-		-
Other assets		-	7 382	7 382	2 446	12 049	7 382	(4 667)	-63.2%	-
General vehicles								-		
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment								-		
Computers - hardware/equipment								-		
Furniture and other office equipment								-		
Abattoirs								-		
Markets								-		
Civic Land and Buildings								-		
Other Buildings								-		
Other Land								-		

LIM362 Lephalale - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Surplus Assets - (Investment or Inventory)								-		
Other			7 382	7 382	2 446	12 049	7 382	(4 667)	-63.2%	
<u>Agricultural assets</u>		-	-	-	-	-	-	-		-
<i>List sub-class</i>								-		
								-		
<u>Biological assets</u>		-	-	-	-	-	-	-		-
<i>List sub-class</i>								-		
								-		
<u>Intangibles</u>		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Repairs and Maintenance Expenditure		-	22 324	22 324	4 550	27 264	22 324	(4 940)	-22.1%	-

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

91% of budget on repairs and maintenance was spent.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

	2013/14	2014/15
Liquidity Ratios		
Current Ratio	3:1	3:1
Acid Test Ratio	3:1	3:1
Debtors Collection Period	120 Days	94 Days

COMMENT ON FINANCIAL RATIOS:

The Liquidity ratios are an indication of the ability of the municipality to pay its operational obligation as they become due. The municipality's current ratio is above the norm.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-		-
Vote 3 - Corporate services		-	-	-	-	-	-	-		-
Vote 4 - Social Services		-	-	-	-	-	-	-		-
Vote 5 - Infrastructure Services		-	25 260	25 260	-	-	25 260	(25 260)	-100%	-
Vote 6 - Planning Development		-	-	-	-	-	-	-		-
Vote 7 - Office of the Strategic Services		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	25 260	25 260	-	-	25 260	(25 260)	-100%	-
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		-	934	1 370	166	1 156	1 370	(214)	-16%	-
Vote 2 - Budget and Treasury		-	84	851	48	284	851	(568)	-67%	-
Vote 3 - Corporate services		-	992	3 299	-	515	3 299	(2 784)	-84%	-
Vote 4 - Social Services		-	7 470	11 140	-	498	11 140	(10 642)	-96%	-
Vote 5 - Infrastructure Services		-	31 182	52 778	13 110	44 899	52 778	(7 880)	-15%	-
Vote 6 - Planning Development		-	386	1 886	-	46	1 886	(1 840)	-98%	-

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Vote 7 - Office of the Strategic Services		–	656	656	–	559	656	(97)	-15%	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	41 704	71 981	13 325	47 957	71 981	(24 024)	-33%	–
Total Capital Expenditure		–	66 963	97 240	13 325	47 957	97 240	(49 283)	-51%	–
<u>Capital Expenditure - Standard Classification</u>										
<i>Governance and administration</i>		–	2 666	6 178	215	2 514	6 178	(3 663)	-59%	–
Executive and Council		–	656	656	166	1 715	656	1 059	161%	
Budget and treasury office		–	84	852	48	284	852	(568)	-67%	
Corporate services		–	1 926	4 669	–	515	4 669	(4 154)	-89%	
<i>Community and public safety</i>		–	5 970	8 318	–	498	8 318	(7 820)	-94%	–
Community and social services		–	5 970	8 318	–	498	8 318	(7 820)	-94%	
Sport and recreation								–		
Public safety								–		
Housing								–		
Health								–		
<i>Economic and environmental services</i>		–	11 635	24 109	3 983	16 581	24 109	(7 528)	-31%	–
Planning and development		–	386	1 886	–	46	1 886	(1 840)	-98%	
Road transport		–	11 249	22 223	3 983	16 535	22 223	(5 688)	-26%	
Environmental protection								–		

LIM362 Lephalale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Trading services		–	46 692	58 636	9 127	28 364	58 636	(30 273)	-52%	–
Electricity		–	5 580	10 210	–	5 145	10 210	(5 065)	-50%	
Water		–	39 112	42 161	9 127	23 170	42 161	(18 991)	-45%	
Waste water management		–	500	3 444	–	49	3 444	(3 395)	-99%	
Waste management		–	1 500	2 822	–	–	2 822	(2 822)	-100%	
Other								–		
Total Capital Expenditure - Standard Classification	3	–	66 964	97 241	13 325	47 958	97 241	(49 283)	-51%	–
Funded by:										
National Government		–	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		–	49 796	55 801	10 644	36 934	55 801	(18 867)	-34%	–
Public contributions & donations	5							–		
Borrowing	6							–		
Internally generated funds		–	17 167	41 439	2 681	11 022	41 439	(30 417)	-73%	
Total Capital Funding		–	66 963	97 241	13 325	47 957	97 241	(49 284)	-51%	–

5.6 SOURCES OF FINANCE

LIM362 Lephalale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		41 948	47 544	45 838	3 380	44 152	45 838	(1 686)	-4%	
Property rates - penalties & collection charges								–		
Service charges - electricity revenue		113 132	120 087	121 476	2 394	128 985	121 476	7 509	6%	
Service charges - water revenue		29 879	34 122	33 148	569	30 443	33 148	(2 705)	-8%	
Service charges - sanitation revenue		12 837	14 170	14 816	1 205	14 636	14 816	(179)	-1%	
Service charges - refuse revenue		7 934	8 321	9 871	823	9 894	9 871	24	0%	
Service charges - other							–	–		
Rental of facilities and equipment		227	1 599	259	15	194	259	(64)	-25%	
Interest earned - external investments		5 893	6 415	7 269	268	5 506	7 269	(1 764)	-24%	
Interest earned - outstanding debtors		5 149	8 002	18 842	1 635	19 505	18 842	663	4%	
Dividends received							–	–		
Fines		787	212	252	0	344	252	93	37%	
Licences and permits		7 425	7 711	7 911	3 050	6 204	7 911	(1 707)	-22%	
Agency services							–	–		
Transfers recognised - operational		92 654	89 500	89 548	568	89 369	89 548	(179)	0%	
Other revenue		3 427	14 387	14 645	2 858	13 301	14 645	(1 344)	-9%	
Gains on disposal of PPE							–	–		
Total Revenue (excluding capital transfers and contributions)		321 293	352 072	363 875	16 764	362 534	363 875	(1 341)	0%	–

COMMENT ON SOURCES OF FUNDING:

The spending on capital projects has slightly declined from 74, 6 % expenditure on total capital projects in 2013/14 to 69% in 2014/15.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Name of Project	Capital Expenditure of 5 largest projects*					
	R' 000					
	Current Year				Variance Current Year	
	Original Budget (Vat Inc.)	Awarded Amount (Vat Inc.)	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Storm Water Channel - Onverwacht	R7 000 000.	R7 000 000.		R3 004 242		
B – Mokuruenyane/Shongoane RWS P4	R14 855 757	R14 855 757		R14 617 844		
C – Witpoort RWS and Seleka water scheme P4	R8556389	R8556389		R 1 787 473		
Rural Water Scheme Refurbishment	R 10 300 00	R 10 300 000		R 2 640 650		
E –Sefihlogo Park	R 2 417 000	R 2 417 000		R 2 106 732		
	* Projects with the highest capital expenditure in 2014/15					

COMMENT ON CAPITAL PROJECTS:

The total expenditure on capital projects, including MIG was at better and higher level as compared to the previous financial years. The total percentage of expenditure is 69 % of the total capital budget. All the above big projects are completed.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The backlogs on the basic services are based on the RDP level of standard and the expression of percentage is based on the household number of 29880 within Lephalale local municipality including farms and rural homes

COMMENT ON BACKLOGS:

Municipality is comprised of 38 scattered rural settlements and farms. Provision of basic infrastructure services remains a challenge. There are additions of challenges as the informal settlements are on the rise.

Provision of basic services at farms is the discretion of the owner. There is no strategy in place as yet to guide the municipality regarding the provision of services to farm dwellers and farming community in general.

Provision of basic services within the formalized town is on target. There are still some challenges at the rural areas. The details are outlined in chapters 1 and 3.

Sanitation backlog of 6 %

Water backlog of 3 %

Electricity backlog of 8 %

Refuse Removal 30%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		197 651	247 293	289 585	24 445	237 891	289 585	(51 694)	-18%	
Government - operating		88 170	89 500	89 548	–	89 369	89 548	(179)	0%	
Government - capital		47 243	51 476	58 285	–	36 934	58 285	(21 351)	-37%	
Interest		5 893	6 415	7 269	268	5 633	7 269	(1 636)	-23%	
Dividends								–		
Payments										
Suppliers and employees		(269 534)	(318 919)	(332 768)	(12 328)	(322 059)	(332 768)	(10 708)	3%	
Finance charges		(14 391)	(11 885)	(11 885)	(744)	(15 593)	(11 885)	3 708	-31%	
Transfers and Grants		(1 126)	(1 182)	(1 379)	(551)	(1 182)	(1 037)	145	-14%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		53 906	62 698	98 656	11 090	30 993	98 997	68 004	69%	–
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (Increase) in non-current debtors								–		
Decrease (increase) other non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(85 418)	(66 863)	(97 241)	(10 644)	(47 128)	(97 241)	(50 113)	52%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(85 418)	(66 863)	(97 241)	(10 644)	(47 128)	(97 241)	(50 113)	52%	–

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		(2 509)				(2 980)	–	(2 980)	0	
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing		(2 691)				(924)	–	924	0	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(5 200)	–	–	–	(3 904)	–	3 904	0%	–
NET INCREASE/ (DECREASE) IN CASH HELD		(36 711)	(4 165)	1 415	446	(20 039)	1 756			–
Cash/cash equivalents at beginning:		116 554	43 985	92 368		79 802	92 368			79 802
Cash/cash equivalents at month/year end:		79 843	39 820	93 782		59 763	94 124			79 802

COMMENT ON CASH FLOW OUTCOMES:

The municipality ended the financial year with a positive bank balance of R59.7m.

5.10 BORROWING AND INVESTMENTS

Actual Borrowings: Year -2 to Year 0			
			R' 000
Instrument	Year -2	Year -1	Year 0
		R98 829	R100
		156	364
Municipality	R94 723 128		391
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
		R98 829	R100
		156	364
Municipality Total	R94 723 128		391
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

COMMENT ON BORROWING AND INVESTMENTS:

The long term loans which the municipality has are from Development Bank of South Africa (DBSA), and Exxaro.

The municipality has an investment of 245 shares which were valued at R22 887 on 20 June 2015. The other investments which the municipality has are short-term investments which are transferred back to the municipality's primary bank account every year end.

	2013/14	2014/15
Long-term loans	R98 829 156	R 94 723 128
Investments	R16 000	R 22 887

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

A total of four strategic economic partnerships have been established, with Libsa (LEDA, Lephalale Tourism Association, Small Business Development and LEDET).

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Bid Evaluation and Bid Adjudication Committees have been established. Advertised tenders are being evaluated, adjudicated and appointments are made for tenders in terms of the Supply Chain Management Policy. Quarterly reports on the tenders are submitted to Council.

Compliance with supply chain policies and legislation is a challenge as section 32 expenditures are incurred to significant levels in previous financial year.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to prepare their financial statements. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES for the year ending 30 June 2015

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

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

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

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

1.2 PRESENTATION CURRENCY

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

GOING CONCERN

1.3 ASSUMPTION

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

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

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

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

GRAP 18 - SEGMENT REPORTING - The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 20 - RELATED PARTY DISCLOSURE -The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 32 – CONCESSIONS The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 105 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 106 - TRANSFER OF FUNCTIONS BETWEEN ENTITIES NOT UNDER COMMON CONTROL The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 107 – MERGERS The standard will not have an impact on the municipality and there is no effective date determined yet

GRAP 108 - STATUTORY RECEIPTS The standard will not have an impact on the municipality and there is no effective date determined yet

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognized as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognizes the part of the asset being replaced and capitalizes the new component. Subsequent expenditure incurred on an asset is capitalized when it increases the capacity or future economic benefits associated with the asset.

2.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	Years	Other	Years
Roads and Paving	15	Buildings	30
Pedestrian Malls	10	Specialist vehicles	15
Electricity	30	Other vehicles	8

Water	30	Office equipment	5
Sewerage	20	Furniture and fittings	8
Community		Bins and containers	8
Buildings	30	Specialized plant and equipment	15
Recreational Facilities	30	Other items of plant and equipment	15
Security	8		
Halls	30		
Libraries	30	Emergency equipment	
Parks and gardens	30	Computer equipment	8
Other assets	20		

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Impairment of property plant and equipment, intangible assets, heritage assets and inventory
The Accounting Policies on Impairment of Cash and Non-cash generating assets as well as Inventory describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgments are made relating to the impairment of PPE, Intangible Assets and Heritage Assets and the write down of Inventories to the lowest of Cost and Net Realisable Values (NRV). In making the above-mentioned estimates and judgment, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets.

2.4 DERECOGNITION

Items of Property, plant and equipment are derecognized when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

The municipality changed its Accounting Policy from GRAP 102 to GRAP 31 with no effect on the financial information previously disclosed.

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognizes an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalized. Research expenditure is never capitalized, while development expenditure is only capitalized to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognized at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortization and impairments. The cost of an intangible asset is amortized over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortized but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortization is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortization rates are based on the following estimated average asset lives:

Computer software	5 -8YRS
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The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognized as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognized when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

4 HERITAGE ASSETS

4.1 INITIAL RECOGNITION

Heritage assets are assets that have a cultural, environmental, historical, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. A heritage asset that qualifies for recognition as assets shall be measured at its cost or where is acquired through a non-exchange transaction; its cost shall be measured at its fair value as at the date of acquisition. The municipality has adopted GRAP 103 and recognize Heritage assets at cost without determining the fair value.

4.2 SUBSEQUENT MEASUREMENT

After initial recognition a heritage asset shall be carried at its cost less impairment losses

4.3 DERECOGNITION

A heritage asset shall be derecognized on disposal or when no future economic benefits or eservice potential are expected from its use or disposal

5 NON-CURRENT ASSETS HELD FOR SALE

5.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

5.2 SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortized) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognized in surplus or deficit.

6 INVENTORIES

6.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognized at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

6.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realizable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognized in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realizable value or current replacement cost is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognized as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalization to the cost of another asset.

The basis of allocating cost to inventory items is the weighted average method.

7 FINANCIAL INSTRUMENTS

7.1 INITIAL RECOGNITION

Financial instruments are initially recognized at fair value.

7.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorized according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorized as either at fair value through profit or loss or financial liabilities carried at amortized cost ("other").

7.2.1 INVESTMENTS

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks, are categorized as loans and receivables, and are measured at amortized cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

7.2.2 TRADE AND OTHER RECEIVABLES

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

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

7.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorized as financial liabilities held at amortized cost, are initially recognized at fair value and subsequently measured at amortized cost which is the initial carrying amount, less repayments, plus interest. Amounts payable within 12 months are classified as current.

CASH AND CASH

7.2.4 EQUIVALENTS

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

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

8 UNAUTHORISED EXPENDITURE

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorized expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

9 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

10 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

11 PROVISIONS

Provisions are recognized when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The municipality does not recognize a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognized for future operating losses. The present obligation under an onerous contract is recognized and measured as a provision.

A provision for restructuring costs is recognized only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

12 LEASES

12.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognized at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognized at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to DE recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

12.2 MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognizes the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognized as interest revenue on a time proportionate basis. The accounting policies relating to DE recognition and impairment of financial instruments are applied to lease receivables.

13 REVENUE

13.1 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

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

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

Interest revenue is recognized on a time proportion basis.

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

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

Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant gazetted tariff.

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

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

13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognized to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognized when the legal entitlement to this revenue arises. Collection charges are recognized when such amounts are legally enforceable. Penalty interest on unpaid rates is recognized on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is initially recognized when the event that gives rise to enforceable claim occurs and a reliable measure of the receivable can be made. Receivable from Fines and summonses are subsequently measured using the historical trend of collection at the end of reporting period.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable, considering the allowance in terms of IGRAP 1 to use estimates to determine the amount of revenue that the municipality is entitled to collect. Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not be made at the time of initial recognition.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from public contributions and donations is recognized when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognized.

Contributed property, plant and equipment is recognized when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof from the responsible Councillors or officials is virtually certain.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue. Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all

municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

T 6.0.1

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

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor General Report on Financial Performance 2013/14	
Status of audit report:	UNQUALIFIED
Non-compliance Issues	Remedial action taken
Assets Values(roads ownership)	Asset recording to started early

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor General Report on Financial Performance 2014/15	
Status of audit report:	UNQUALIFIED
Non-compliance Issues	Remedial action taken
Assets Values	Asset recording to started early
Material misstatements	Action plan established
Non-Compliance with legislative prescripts	All legislative deadlines to be met

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

Material misstatements in the financial statements were identified during the audit. These misstatements were not prevented or detected by the Municipal's system of internal control. These material misstatements also constitute non-compliance with the section 122 of the MFMA.

The misstatements not corrected form the basis for the qualified opinion on the financial statements.

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0

All the matters rose in the Auditors report and management letter are being addressed on a monthly basis. The Accounting Officer arranges a monthly meeting following the responses to raised matter from the Auditor Report.

Audit action plan has been established and raised are to addressed by end march in the next financial year

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

All the section 71 reports were sent treasury on time each month

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

Report of the auditor-general to the Limpopo Provincial legislature and the Council on Lephale Local Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the Lephale Local Municipality set out on Pages xx to xx, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net Assets, cash flow statement and the statement of comparison of budget information With actual information for the year then ended, as well as the notes, comprising a Summary of accounting policies and other explanatory information those are significant.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of These financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is Necessary to enable the preparation of financial statements that are free from Material misstatement, and whether are due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my Audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and Perform the audit to obtain reasonable assurance about whether the financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts disclosed in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether are due to fraud or error. In making those risk Assessments, the auditor considers internal control relevant to the municipalities Preparation and fair presentation of the financial statements in order to design audit Procedures that are appropriate in the circumstances, but not for the purpose of Expressing an opinion on the effectiveness of the municipal internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the Financial position of the Lephalale Local Municipality as at 30 June 2015 and its Financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 43 to the financial statements, the municipality is the defendant in Various lawsuits and pending legal cases from individuals and companies. The ultimate Outcome of the matters cannot presently be determined and no provisions for any liability that may result have been made in the financial statements.

Material impairments

9. As disclosed in note 2 to the financial statements, the municipality made material Impairments to the amount of R43 043 118 and R14 982 382 for receivables from Exchange and non-exchange transactions, respectively, as a result of inadequate Collection practices.

Restatement of corresponding figures

10. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the Lephalale Local Municipality at, and for the year ended, 30 June 2015.

Material losses

11. As disclosed in note 33 to the financial statements, the electricity loss for the Municipality is 21% and the water loss is 25.98%. The loss is as a result of deteriorating Infrastructure and poor management of networks due to amongst others, illegal Connections and water leakages.

Additional matters

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

Unaudited supplementary information

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

Unaudited disclosure notes

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

Report on other legal and regulatory requirements

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report Findings on the reported performance information against predetermined objectives For selected development priorities presented in the annual performance report, Compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather Evidence to express assurance on these matters. Accordingly, I do not express an Opinion or conclusion on these matters.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the Reported performance information for the following selected development priorities Presented in the annual performance report of the municipality for the year ended 30 June 2015:

- ☐ Development priority 1: Electricity on pages x to x
- ☐ Development priority 2: Water on pages x to x
- ☐ Development priority 3: Sanitation on pages x to x
- ☐ Development priority 4: Refuse on pages x to x
- ☐ Development priority 5: Roads on pages x to x

17. I evaluated the reported performance information against the overall criteria of Usefulness and reliability.

18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting Principles and whether the reported performance was consistent with the planned Development priorities. I further performed tests to determine whether indicators and Targets were well defined, verifiable, specific, measurable, time bound and relevant,

As required by the National Treasury's *Framework for managing programme Performance information* (FMPPI).

19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. The material findings in respect of the selected development priorities are as follows:

Usefulness of reported performance information

21. I did not identify material findings on the usefulness of the reported performance Information for the following development priorities:

- ☐ Development priority 1: Electricity
- ☐ Development priority 2: Water
- ☐ Development priority 3: Sanitation
- ☐ Development priority 4: Refuse
- ☐ Development priority 5: Roads

Reliability of reported performance information

Development priority: Electricity

22. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was Unable to obtain the information and explanations, I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to Limitations placed on the scope of my work due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance Information.

Development priority: Water

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was Unable to obtain the information and explanations, I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to Limitations placed on the scope of my work due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance Information.

Development priority: Sanitation

24. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was Unable to obtain the information and explanations, I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to Limitations placed on the scope of my work due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance Information.

Development priority: Refuse

25. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was Unable to obtain the information and explanations, I considered necessary to satisfy myself as to the reliability of the reported performance information. This was due to Limitations placed on the scope of my work due to the

fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance Information.

Development priority: Roads

26. I did not identify material findings on the reliability of the reported performance Information.

Additional matter

27. I draw attention to the following matters:

Achievement of planned targets

28. Refer to the annual performance report on pages xx to xx for information on the Achievement of planned targets for the year. This information should be considered in the context of the material finding on the usefulness and reliability of the reported Performance information in paragraphs 22, 23, 24 and 25 of this report.

Unaudited supplementary schedules

29. The supplementary information set out on pages x to x does not form part of the Annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

30. I performed procedures to obtain evidence that the municipality had complied with Applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key Legislation, as set out in the general notice issued in terms of the PAA, is as follows:

Strategic planning and performance management

31. The adopted integrated development plan (IDP) did not reflect and identify the key Performance indicators and targets and, as required by sections 26 and 41 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) as well as section 2(1) (c) Municipal planning and performance management regulations.

Annual financial statements, performance and annual reports

32. The financial statements submitted for auditing were not prepared in all material Respects in accordance with the requirements of section 122 of the MFMA. Material Misstatements relating to commitment, irregular expenditure, current assets, noncurrent Assets and revenue identified by the auditors in the submitted financial Statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

33. The 2013-14 annual report was not tabled in the municipal Council within seven Months after the end of the financial year, as required by section 127(2) of the MFMA.

Procurement and contract management

34. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality, as required by Supply Chain Management (SCM) regulation 27(3)

35. Contracts were awarded to bidders based on points given for criteria that differed From those stipulated in the original invitation for bidding, in contravention of SCM Regulation 231(b) and 28(1) (a) and the Preferential Procurement Regulations

36. Close family members and partners and associates had a private or business interest In contracts awarded by the municipality, participated in the process relating to that Contract, in contravention of SCM regulation 46(2) (f).

Human resource management and compensation

37. An acting municipal manager was appointed for a period of more than three months without the approval by the MEC

Expenditure management

38. Reasonable steps were not taken to prevent irregular expenditure and fruitless and Wasteful expenditure, as required by section 62(1) (d) of the MFMA.

Asset management

39. An adequate management, accounting and information system which accounts for Assets was not in place, as required by section 63(2) (a) of the MFMA.

40. An effective system of internal control for assets (including an assets register) was Not in place, as required by section 63(2) (c) of the MFMA

Consequence management

41. The condonation of irregular expenditure was not approved by the appropriate relevant authority, as required by sections 1 and 170 of the Municipal Finance Management Act.

Internal control

42. I considered internal control relevant to my audit of the financial statements, annual Performance report and compliance with legislation. The matters reported below are Limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation Included in this report.

Leadership

43. Review of the financial statements and the annual performance report was Inadequate, resulting in several misstatements identified

Financial and performance management

44. The municipality does not properly review the asset register on monthly basis to ensure that assets are recorded and correctly categorised.
45. Non-compliance with laws and regulations could have been prevented had Compliance been properly reviewed and monitored.
46. Material misstatements identified by the auditors in the submitted financial statement which were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.
47. Limitation experienced in the reported performance information.

Governance

48. Those charged with governance (Council and audit committee) did not provide adequate oversight over the effectiveness of the internal control environment over financial statements and reported performance information.

Other reports

Investigations

49. An independent consulting firm performed an investigation at a request of the Municipality. The investigation was initiated based on allegation of possible irregular Awarding of tenders and payments to suppliers. The investigation concluded on 10 December 2013 and resulted in accounting officer resigning and two employees given special leave. The proceedings are currently in progress.

Polokwane

30 November 2015



GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.

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

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

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full/Part Time (FT/PT)	Committees Allocated	*Ward and/or Party represented	% Council meetings attendance	% Apologies for non-attendance
Executive Leadership					
Cllr. MJ Maeko	FULL TIME	Mayor: Budget and Economic Development; Governance and Administration	ANC PR	95 %	2
Cllr. MR Boloka	FULL TIME	Speaker, Public Participation	ANC PR	95%	2
Executive Committee Members					
Cllr. AE Basson	PART TIME	Head of Cluster: Social Services.	DA PR	95%	1
Cllr. MJ Maeko	FULL TIME	Special Projects, Gender, Youth, Disability, HIV & AIDS	ANC PR	95 %	2
Cllr. RM Moatshe	FULL TIME	Head of Cluster: Planning and Development Services.	ANC PR	90%	2
Cllr. W.M Motlokwa	PART TIME	Head of Cluster: Municipal Infrastructure Services.	ANC PR	95%	1
Portfolio Council Chairpersons					
Cllr. ME Dinale	PART TIME	SMME & LED	ANC PR	70%	6
Cllr. F Magwai	PART TIME	Land and Agriculture.	ANC WARD	100%	0
Cllr. ML Shongwe	PART TIME	Public Transport, Roads, Traffic & Licensing	ANC PR	95%	1
Cllr. A Thulare	PART TIME	Mining and Industry, LED/SMME.	ANC WARD	90%	2
Cllr.RM Monyemoratho	FULL TIME	EPWP& Public Works.	ANC PR	100%	0

Cllr. SJ Peletona	PART TIME	Tourism	COPE PR	90%	2
Cllr. ME Maisela	PART TIME	Waste, Parks & Cemetery	ANC PR	100%	0
Cllr. MJ Mojela	PART TIME	Land	ANC WARD	90%	2
Cllr. GB Koadi	PART TIME	Health and Social Development.	ANC WARD	90%	2
Cllr. MC Matshaba	PART TIME	Water & Sanitation.	ANC WARD	95%	1
Cllr. P Motlokwa	PART TIME	Head Of Infrastructure services	ANC WARD	95%	1
Cllr. P Molekwa	PART TIME	Electricity	ANC WARD	90%	2
Cllr. MJ Selokela	PART TIME	Housing and Disaster Management	ANC WARD	90%	2
Cllr. JA Mohwasa	PART TIME	Sports, Arts and Culture.	ANC PR	85%	3
Cllr. Niewoudt	PART TIME	Environmental Affairs	DA WARD	85%	3
Cllr. KR Molokomme	FULL TIME	Traditional and Home Affairs	ANC PR	100%	0
Cllr. MJ Marakalala	PART TIME	Income and Expenditure	ANC PR	90%	2
Cllr. N J Motebele	PART TIME	Education and Early Childhood Development.	ANC PR	95%	1
Cllr. LS Manamela	PART TIME	Safety, Security, Liaison & Disaster.	DA PR	95%	1
Cllr P Ngoako	PART TIME	Communication	ANC WARD	90%	2
Councillors' directly elected to the WDM					
Cllr. L Moremi	PART TIME	EXCO Member	ANC	80%	0
Cllr. NR Mogotlane	FULL TIME	Executive Mayor	ANC	100%	0
Traditional Leaders					
Kgoshigadi ML Laka		Mokuruanyane, Langa, Traditional Authority			11
Kgoshi PD Selek		Ga-Seleka Traditional Authority			8
Kgoshigadi Shongoane MA		Ga-Shongoane Traditional Authority			04
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					



APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES



LEPHALALE MUNICIPALITY

Develop, Sustain, Prosper



ITEM A142/2014[9]

CLUSTER	COUNCILLORS	CONTACT NO
MAYOR Special Projects, Gender, Youth, Disability & HIV & AIDS programs	Clr. M J Maeko	071 271 7326
SPEAKER	Clr. M R Boloka	078 398 8511
CLUSTER: BUDGET , ECONOMIC DEVELOPMENT , GOVERNANCE AND ADMINISTRATION	Clr M J Maeko	071 271 7326
Portfolio: Income and Expenditure	Clr M J Marakalala	073 256 1379
Portfolio: Communication	Clr M P Ngwako	082 423 7044
Portfolio: Mining, Industries and Labour	Clr A Thulare	073 5886 105 076 9037 479
Portfolio: SMME & LED	Clr M E Dinale	078 751 7512
CLUSTER: MUNICIPAL INFRASTRUCTURE SERVICES	Clr W M Motlokoa	072 682 0899
Roads, Public Transport, Traffic & Licensing	Clr M L Shongwe	072 111 4033
Water & Sanitation	Clr M C Matshaba	073 256 1379
Electricity	Clr P Molekwa	072 122 7651
EPWP & Public Works	Clr SJ Monyemoratho	079 286 6304
CLUSTER: PLANNING & DEVELOPMENT SERVICES	Clr R M Moatshe	082 306 9447
Portfolio: Tourism	Clr SJ Peletona	083 350 0287
Portfolio: Land	Clr MJ Mojela	082 306 9493
Portfolio: Environment Affairs	Clr S M Nieuwoudt	078 786 1689
Portfolio: Agriculture	Clr F Magwai	078 065 2220 079 977 8547
CLUSTER: SOCIAL SERVICES	Clr A E Basson	082 822 9027
Portfolio: Health and Social Development	Clr G B Koadi	072 633 1183

Portfolio: Sports, Arts and Culture	Clr J A Mogoasa	082 888 8453
Portfolio: Education & Early Childhood Development	Clr N J Motebele	081 015 4324 072 264 4754
Portfolio: Safety Security & Liaison	Clr L S Manamela	071 842 6475
Portfolio: Housing & Disaster Management	Clr M J Selokela	076 395 5619
Portfolio: Traditional & Home Affairs	Clr K R Molokomme	084 550 3800
Portfolio: Waste, Parks & Cemetery	Clr M E Maisela	074 652 8916

APPENDIX B(I) – ATTENDENCE REGISTER FOR CONCILLORS AND COMMITTEES

ATTENDANCE REPORT FOR COUNCILLORS – JULY 2014- JUNE 2015				
COUNCILLORS: P=Present A= Apology Ab= Absent	ORD/EX CO 11	ORD/COUN CIL 11	SP/EX CO 7	SP/COUN CIL 7
Clr M R Boloka [Chairperson]		P=8 A=3 Ab=0		P=4 A=3 Ab=0
Clr M J Maeko [Mayor]	P=11 A=0 Ab=0	P=11 A=0 Ab=0	P=7 A=0 Ab=0	P=5 A=2 Ab=0
Clr A E Basson [Executive Committee]	P=7 A=4 Ab=0	P=9 A=2 Ab=0	P=5 A=2 Ab=0	P=6 A=1 Ab=0
Clr W M Motlokwa [Executive Committee]	P=10 A=1 Ab=0	P=10 A=1 Ab=0	P=6 A=1 Ab=0	P=5 A=2 Ab=0
Clr R M Moatshe [Executive Committee]	P=8 A=3 Ab=0	P=8 A=3 Ab=0	P=3 A=3 Ab=0	P=4 A=3 Ab=0
Clr M E Dinale		P=5 A=4 Ab=3		P=4 A=1 Ab=2

Clr G B Koadi		P=6 A=3 Ab=2		P=5 A=1 Ab=1
Clr M E Maisela		P=8 A=1 Ab=2		P=4 A=2 Ab=1
Clr F Magwai		P=9 A=1 Ab=1		P=5 A=1 Ab=1
Clr L S Manamela		P=8 A=2 Ab=1		P=5 A=2 Ab=0
Clr M J Marakalala		P=9 A=2 Ab=0		P=5 A=2 Ab=0
Clr M C Matshaba		P=8 A=2 Ab=1		P=4 A=1 Ab=2
Clr J A Mogoasa		P=6 A=1 Ab=4		P=4 A=1 Ab=2
Clr M J Mojela		P=7 A=2 Ab=2		P=4 A=2 Ab=1
Clr P Molekwa		P=8 A=3 Ab=0		P=6 A=1 Ab=0
Clr K R Molokomme		P=7 A=3 Ab=1		P=5 A=1 Ab=1
Clr S J Monyemoratho		P=8 A=2 Ab=1		P=4 A=2 Ab=1
Clr N J Motebele		P=10 A=1 Ab=0		P=5 A=1 Ab=1
Clr M P Ngwako		P=7 A=3 Ab=1		P=5 A=1 Ab=1
Clr S M Nieuwoudt		P=8 A=2 Ab=1		P=6 A=1 Ab=0
Clr S J Peletona		P=8 A=2 Ab=1		P=5 A=2 Ab=0
Clr M J Selokela		P=6		P=6

		A=3 Ab=2		A=1 Ab=0
Clr M L Shongwe [Ditshilwana]		P=8 A=3 Ab=0		P=5 A=1 Ab=1
Clr A Thulare		P=10 A=1 Ab=0		P=6 A=1 Ab=0

ATTENDANCE REPORT FOR TRADITIONAL LEADERS – JULY 2014 – JUNE 2015

	ORD/EXCO	ORD/COUNCIL	SP/EXCO	SP/COUNCIL
TRADITIONAL LEADERS:	11	11	7	7
P=Present				
A= Apology				

Ab= Absent				
Ms M A Shongoane		P=3 A=0 Ab=8		P=1 A=0 Ab=6
Ms M L Laka		P=2 A=0 Ab=9		P=0 A=0 Ab=7
Mr P D Seleka		P=0 A=0 Ab=11		P=0 A=0 Ab=7

ORDINARY EXCO = 11

ORDINARY COUNCIL = 11

SPECIAL EXCO = 7

SPECIAL COUNCIL = 7

NUMBER OF MEETINGS = 36

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

OFFICE OF THE MUNICIPAL MANAGER				
		Manager: Internal Auditor	Mathebula	G.E
		Risk Officer	Sefala	M
STRATEGIC SERVICES				
		Manager: Communication	Vacant	
		Manager: Public Participation	Monyepao	N.V
		PMS Manager	Matsoma	D.E
		IDP Manager	Mabotja	M.F
SECTION: BUDGET AND TREASURY SERVICES				
		Manager: Income	Langa	M.S
		Manager: Reporting	Ntwampe	S.M
		Manager: SCM	Manaka	M.J
		Manager: Expenditure	Jooste	C.J
SECTION: CORPORATE SERVICES				
		Manager: Admin and Secretarial	Maartens	A.E
		Manager: Legal	Moaloshi	P.J
		Manager: HR	Makgamatha	M.G
SECTION: DEVELOPMENT PLANNING				
		Manager: LED	Radipabe	B.C
		Manager: Town Planning	Mutshavi	H.C

		Manager: Building Control	Mabale	T.O.B
SECTION:SOCIAL SERVICES				
		Manager: Library	Ndoweni	B.J
		Manager: Parks	Vacant	
		Manager: Housing	Lekoloane	S.F.M
		Manager: Waste Management	Hlapa	P.J
		Manager: Licensing	Teffo	J.R
		Manager: Traffic	Nailana	A.E
SECTION:INFRASTRUCTURE SERVICES				
		Manager: Water	Shiko	M.A
		Manager: Sanitation	Leseka	K.A
		Manager: Public Works	Ngobeli	R.J
		Manager: Electricity	Jacobs	E
		PMU Manager	Ndlovu	N

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Function	Authority	Capacity	Personnel	Department	Budget	Comments
Air pollution	No	Limited	0	Social services	No	District function.
Building regulation	Yes	Yes	5	Development Planning	Yes	Municipality has capacity and budget, function performed by building control & LED
Bulk supply of Electricity	Yes	Yes	39	Infrastructure services	Yes	Municipality provides electricity in urban area and eastern part of Lephalale town
Fire fighting	No	No	11	Social services	Yes	District function performed by the municipality as agent of WDM.
Local tourism & LED	Yes	Yes	2	Development planning	Yes	Perform function in collaboration with local tourism association
Municipal planning	Yes	Yes	6	Development planning	Yes	With spatial development and land use and building control
Municipal health services	No	No	N/A	Department of health & social development	N/A	District function.
Municipal public transport	Yes	Limited	1	Social services	No	Municipality is currently responsible for coordination of transport related activities.
Municipal roads and storm water	Yes	Yes	42	Infrastructure services	Yes	Municipality only responsible for access roads and still waiting for road classification
Trading regulation	Yes	No	No	Function not performed	No	No service level agreement (not clear who is responsible to perform function)
Bulk supply of water	Yes	Yes	44	Infrastructure services	Yes	Municipality only provides water for residential areas and small, medium business
Sanitation	Yes	Yes	36	Infrastructure services	Yes	Function performed through infrastructure services
Billboards &	Yes	Yes	12	Development	Yes	No service level

Function	Authority	Capacity	Personnel	Department	Budget	Comments
the display				planning		agreement in place
Cemetery, funeral parlours & crematoria	Yes	Yes	9	Social services	Yes	Rendered through social services in urban areas and Steenbokpan
Street cleansing	Yes	Yes	18	Social services	Yes	Rendered through social services
Control of public nuisance	Yes	Yes	11	Social services	Yes	Function performed in collaboration with SAPS
Control of undertakings that sell liquor to the public	Yes	No	N/A	Liquor board (social services)	No	Social service has authority but no budget and service level agreement. SAPS are currently responsible for law enforcement.
Licensing & undertakings to sell food to the public	Yes	No	N/A	WDM function	No	No service level agreement and district not performing the function
Local sport facilities	Yes	Limited	No	Social services	Yes	Municipality paying grant to implementing agent around urban area and adhoc staff at rural areas.
Municipal parks & recreation	Yes	Yes	40	Social services	Yes	Function performed through social services
Noise pollution	Yes	No	0	Social services	No	No service level agreement in place
Refuse removal, refuse dump & solid waste disposal	Yes	Yes	35	Social service	Yes	Service available in urban areas only. In rural areas only cleaning campaigns embarked upon on interval.
Street trading	Yes	Yes	11	Social services	Yes	No service level agreement in place, Development planning should also play a role
Traffic and parking	Yes	Yes	11	Social services	Yes	Performed by social services
Occupational health & safety	Yes	Yes	1	Social services	Yes	Performed by social services
Additional Functions Performed						
Housing	No	Yes	6	Social services & DPLG&H	Yes	Department of local government & housing as per agreement with

Function	Authority	Capacity	Personnel	Department	Budget	Comments
						the municipality
Library, Arts & Culture	No	Yes	13	Social services& DSAC	Yes	Department of sport, arts & culture with the municipality as per agreement.
Registering Authority	No	Yes	11	Department of Transport & Social service	Yes	Department of Transport with the municipality as per agreement.

APPENDIX E – WARD REPORTING

Functionality of ward committees					
Nam of ward (number)	Name of ward Councillor and elected ward committee member	Ward committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly public ward meetings held during the year
1	Cllr W M Motlokwa	Yes	1	12	4
2	Cllr B G Koadi	Yes	1	12	3
3	Cllr F Magwai	Yes	1	12	3
4	Cllr Niewoudt	Yes	none	12	2
5	Cllr M J Mojela	Yes	1	12	3
6	Cllr P Ngoako	Yes	1	12	3
7	Cllr J A Mogoasa	Yes	1	12	2
8	Cllr M J Selokela	Yes	1	12	4
9	Cllr A .Thulare	Yes	1	12	3
10	Cllr C Matshaba	Yes	1	12	3
11	Cllr N J Motebele	Yes	1	12	4
12	Cllr P Molekwa	Yes	1	12	4

APPENDIX F – WARD REPORTING, CAPITAL PROJECTS BY WARD

Component v (five) of the SDBIP is not fully included in Lephalale 2014/15 SDBIP and as results the information for capital projects is covered in chapter 3 of this annual report

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2014/15

REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE (AC)

We are pleased to present our report for the financial year ended 30 June 2015.

Audit and Performance Committee and Attendance

The Audit and Performance Committee consists of four external members and is required to meet at least four times a year as required by section 166(4)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). Seven meetings were held during the 2014/15 financial year. The members of the AC during the financial year under review were:

Name of Member	Number of Meetings Attended
Mr. J.A.C. du Plessis (Chairperson)	04
Ms. P.M.M. Mphelo	05
Mr. I.S. Mogotsi	06
Mr. B. Mbange	07

Audit and Performance Committee responsibility

The AC is pleased to report that it is properly constituted as required by section 166 of the MFMA and has complied with its responsibilities arising from this section. The AC has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs in compliance with this charter. The charter was approved by the Council. The AC has advised the Council, the Accounting Officer and management on matters relating to:

- (a) Internal financial control
- (b) Internal Audit
- (c) Risk Management
- (d) Accounting Policies
- (e) Adequacy, reliability and accuracy of financial reporting and information
- (f) Performance Management
- (g) Performance evaluations
- (h) Effective governance
- (i) Compliance with laws and regulations

Effectiveness of internal control

The AC confirms that taking into consideration the reports by both the internal and external auditors; it has reviewed and assessed the following:

- the effectiveness of the internal control systems;

-
- the effectiveness of internal audit;
 - the effectiveness of the risk management processes;
 - the risk areas of the Municipality's operations to be covered in the scope of internal and external audits;
 - the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
 - any accounting and auditing concerns identified as a result of internal and external audits; and
 - The Municipality's compliance with legal and regulatory provisions.

Based on the information and explanations given by Management, Internal Audit and discussions with the Auditor-General of South Africa (AGSA) on the result of their audits, the AC is of the opinion that the internal controls are partially adequately and partially effective.

The AC noted that management was slow to implement corrective actions required as raised by the AGSA and Internal Audit. The AC made recommendations to the Accounting Officer and Council for ensuring that the internal control environment is improved and better accountability from management is established.

The AC is of the view that there are still areas where internal controls need to be improved. The AC is concerned about the gravity of some of the matters raised in the external auditor's management report as well as Internal Audit findings. The findings including repeat findings from previous years regarding non-compliance and performance information is a concern for the AC.

Internal Audit

The AC considered the effectiveness of the Internal Audit, which included approving the risk based audit plan for 2014/15 as well as the three years strategic internal audit plan. The AC monitored Internal Audit's adherence to its annual audit plan.

The AC received and reviewed reports from Internal Audit concerning the effectiveness of the Municipality's internal controls, systems and processes.

We reviewed the adequacy and appropriateness of management's corrective action plan as a consequence of the audit findings. The AC noted that management was slow to implement the corrective actions required.

We made appropriate recommendations on a quarterly basis to the Council regarding the corrective actions to be taken as a consequence of the audit findings.

The AC has noted considerable improvement in the communication between the Executive Management, the AGSA and Internal Audit, which has strengthened the Corporate Governance initiatives within the Municipality.

The AC wishes to stress that in order for Internal Audit to operate at optimal level as expected by the AC, the lack in human resources and skills should be addressed.

Forensic Investigations

An independent consulting firm performed an investigation at the request of the municipality. The investigation was initiated based on allegations of possible irregular awarding of tenders and payments to suppliers. The investigation was concluded on 10 December 2013 and resulted in the accounting officer resigning and two employees given special leave. The proceedings are currently in progress.

Risk Management

A formal risk assessment was conducted. The AC noted the appointment of a risk officer and the establishment of the Risk Management Committee chaired by an official not employed by the Municipality. The AC noted that the fraud hotline was in operation from December 2014. The fraud prevention plan and risk register were finalised and approved for the 2014/15 financial year. The Business Continuity Management policy and strategy is in the process of being finalised. The Disaster Recovery Plan is in place but needed to be reviewed.

Evaluation of Annual Financial Statements

The AC has:

- Reviewed the draft Annual Financial Statements (AFS) before it was submitted to the AGSA for auditing;
- Reviewed and discussed with the AGSA and the Accounting Officer the audited AFS to be included in the Annual Report;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Municipality's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The AC is concerned regarding the material misstatements, including repeated findings from previous years on the AFS reported by the AGSA in the Management Report. The material misstatements occurred although the Municipality appointed a consultant to review the AFS. The Municipality received an unqualified audit opinion for 2014/15. This is the second consecutive year that an unqualified audit opinion is received. The AC concurs with and accepts the AGSA's conclusions on the AFS and is of the opinion that the audited AFS be accepted and read together with the audit report of the AGSA.

The AC wishes to stress that in order for the Budget and Treasury section to operate at optimal level, the lack in human resources and skills should be addressed.

The quality of quarterly reports submitted in terms of the MFMA

The AC is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer during the year under review. Although there is room for improvement, the AC is of the view that the quality of the reports presented enabled it to perform its responsibilities.

Performance Management

The AC reviewed the draft Annual Performance Report before it was submitted to the AGSA for auditing. The AC appreciates the commitment shown by the Municipality in monitoring performance information. Quarterly performance reports were submitted to the AC. It was also noted that the performance of section 56 employees was evaluated for three quarters of the financial year. The last quarter was not yet done.

The AC is concerned on the regression on the audit outcomes on performance information as reported by the AGSA. The AC advises the Accounting Officer to pay attention to the findings raised by the AGSA regarding performance information.

One-on-One Meeting with the Accounting Officer


The AC has met with the Accounting Officer to address unresolved issues.

Office of the Auditor-General

The AC has met with the AGSA to ensure that there are no unresolved issues.

Appreciation

In conclusion the AC expresses its appreciation towards the Accounting Officer and all other role players for the constructive meetings the AC had with them.



Mr. Japie du Plessis
Chairperson of the Audit Committee
Date: 30 November 2015

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long term contracts (20 Largest Contracts Entered into 2014/15)					
Name of Service provider(Entity or Municipal Department)	The service provider	Start date of contract	Expiry date of contract	Project Manager	Contract value
ESKOM	ESKOM	01 July 2014	20 June 2015		
EXXARO	EXXARO	01 July 2014	20 June 2015		

Public Private Partnerships Entered into 2014/15					
Name and description of project	Name of Partner(s)	Initiation Date	Expiry date	Project Manager	Value
Leasing of building	Lephalale Tourism Association	July 2012	2015		
Development Altoostyd	CoGHSTA	July 2012	2020		
Provincial Greening	Exxaro	July 2012	June 2014		
Business Support	LEDA	July 2012	June 2015		
Development Rooigoud Farm Project	Department of Agriculture	July 2012	June 2015		
Business Licencing	LEDET	July 2012	June 2015		
	SEDA				
	Doornhoek Development				

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

No Services were outsourced to Entities.

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

ALL STAFF MEMBERS HAS DISCLOSED BUSINESS INTERESTS TO ACCOUNTING OFFICER THROUGH A DICLOSURE PROGRAMM ENFORCED BY COUNCIL. EXECUTIVE MANAGERS HAS DISCLOSED WHEN SIGNING THEIR PERFORMANCE AGREEMENTS IN TERMS OF SECTION 57.

APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue by Vote</u>	1									
Vote 1 - Municipal Manager		5 569	6 569	7 455	279	124 386	6 085	118 301	1944.1%	–
Vote 2 - Budget and Treasury		49 466	69 662	70 656	5 908	68 650	70 656	(2 005)	-2.8%	–
Vote 3 - Corporate services		–	–	–	–	452	–	452	#DIV/0!	–
Vote 4 - Social Services		36 273	32 656	37 205	5 251	35 860	37 205	(1 345)	-3.6%	–
Vote 5 - Infrastructure Services		308 652	291 474	301 584	16 377	287 539	303 540	(16 001)	-5.3%	–
Vote 6 - Planning Development		673	574	821	56	730	821	(92)	-11.2%	–
Vote 7 - Office of the Strategic Services		454	934	1 370	166	1 156	1 370	(214)	-15.6%	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	401 087	401 868	419 090	28 037	518 772	419 676	99 096	23.6%	–
<u>Expenditure by Vote</u>	1									
Vote 1 - Municipal Manager		28 526	28 459	28 401	1 365	35 319	27 780	7 539	27.1%	–
Vote 2 - Budget and Treasury		22 529	35 422	42 467	1 842	42 691	41 846	846	2.0%	–
Vote 3 - Corporate services		18 108	18 065	21 711	2 142	20 241	21 711	(1 470)	-6.8%	–
Vote 4 - Social Services		40 796	56 224	56 535	2 123	53 868	56 535	(2 667)	-4.7%	–
Vote 5 - Infrastructure Services		261 100	239 603	239 658	4 863	262 083	238 416	23 667	9.9%	–
Vote 6 - Planning Development		4 336	8 969	8 923	1 279	7 425	8 923	(1 498)	-16.8%	–
Vote 7 - Office of the Strategic Services		8 184	8 165	8 520	195	6 568	8 520	(1 952)	-22.9%	–

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	383 579	394 906	406 215	13 809	428 195	403 731	24 465	6.1%	–
Surplus/ (Deficit) for the year	2	17 508	6 963	12 874	14 228	90 577	15 945	74 632	468.0%	–

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		41 948	47 544	45 838	3 380	44 152	45 838	(1 686)	-4%	
Property rates - penalties & collection charges								-		
Service charges - electricity revenue		113 132	120 087	121 476	2 394	128 985	121 476	7 509	6%	
Service charges - water revenue		29 879	34 122	33 148	569	30 443	33 148	(2 705)	-8%	
Service charges - sanitation revenue		12 837	14 170	14 816	1 205	14 636	14 816	(179)	-1%	
Service charges - refuse revenue		7 934	8 321	9 871	823	9 894	9 871	24	0%	
Service charges - other							-	-		
Rental of facilities and equipment		227	1 599	259	15	194	259	(64)	-25%	
Interest earned - external investments		5 893	6 415	7 269	268	5 506	7 269	(1 764)	-24%	
Interest earned - outstanding debtors		5 149	8 002	18 842	1 635	19 505	18 842	663	4%	
Dividends received							-	-		
Fines		787	212	252	0	344	252	93	37%	
Licences and permits		7 425	7 711	7 911	3 050	6 204	7 911	(1 707)	-22%	
Agency services							-	-		
Transfers recognised - operational		92 654	89 500	89 548	568	89 369	89 548	(179)	0%	
Other revenue		3 427	14 387	14 645	2 858	13 301	14 645	(1 344)	-9%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		321 293	352 072	363 875	16 764	362 534	363 875	(1 341)	0%	-
Expenditure By Type	-									
Employee related costs		113 126	124 111	128 688	26	127 368	128 688	(1 320)	-1%	
Remuneration of Councillors		6 704	6 847	7 270	643	8 150	7 270	879	12%	
Debt impairment		12 161	3 500	1 500	-	3 244	1 500	1 744	116%	
Depreciation & asset impairment		64 514	60 603	58 486	186	63 290	58 486	4 804	8%	
Finance charges		14 391	11 885	11 885	744	15 593	11 885	3 708	31%	
Bulk purchases		95 199	106 448	107 974	897	102 993	107 974	(4 981)	-5%	
Other materials								-		
Contracted services		13 483	7 885	8 805	1 591	14 648	8 805	5 843	66%	

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Transfers and grants		1 126	1 182	1 037	551	1 182	1 037	145	14%	
Other expenditure		62 876	72 445	78 085	9 171	82 421	78 085	4 337	6%	
Loss on disposal of PPE						9 306		9 306	#DIV/0!	
Total Expenditure		383 579	394 906	403 731	13 809	428 195	403 731	24 464	6%	–
Surplus/(Deficit)		(62 286)	(42 834)	(39 856)	2 955	(65 661)	(39 856)	(25 806)	0	–
Transfers recognised - capital		79 794	49 796	55 801	10 644	36 934	55 801	(18 867)	(0)	
Contributions recognised - capital								–		
Contributed assets						119 304		119 304	#DIV/0!	
Surplus/(Deficit) after capital transfers & contributions		17 508	6 963	15 945	13 599	90 577	15 945			–
Taxation								–		
Surplus/(Deficit) after taxation		17 508	6 963	15 945	13 599	90 577	15 945			–
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		17 508	6 963	15 945	13 599	90 577	15 945			–
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		17 508	6 963	15 945	13 599	90 577	15 945			–

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

[illegible]

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<i>[insert description]</i>								–		
								–		
Total Operating Transfers and Grants	5	91 633	104 734	107 655	–	104 434	104 269	165	0.2%	–
<u>Capital Transfers and Grants</u>										
National Government:		41 353	36 242	39 076	–	28 992	28 992	–		–
Municipal Infrastructure Grant (MIG)		41 353	35 992	39 076	–	28 992	28 992	–		
Regional Bulk Infrastructure		–	250	–	–	–	–			
Regional Bulk Infrastructure			–					–		
								–		
								–		
Other capital transfers <i>[insert description]</i>								–		
Provincial Government:		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
								–		

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Capital Transfers and Grants	5	41 353	36 242	39 076	–	28 992	28 992	–		–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	132 986	140 976	146 731	–	133 426	133 261	165	0.1%	–

APPENDICES

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

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

[illegible]

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Other</i>								-		
<u>Community</u>		-	-	-	-	-	-	-		-
Parks & gardens								-		
Sports fields & stadia								-		
Swimming pools								-		
Community halls								-		
Libraries								-		
Recreational facilities								-		
Fire, safety & emergency								-		
Security and policing								-		
Buses								-		
Clinics								-		
Museums & Art Galleries								-		
Cemeteries								-		
Social rental housing								-		
Other								-		
<u>Heritage assets</u>		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
<u>Investment properties</u>		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
<u>Other assets</u>		-	-	-	-	-	-	-		-
General vehicles								-		
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment								-		

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Computers - hardware/equipment								-		
Furniture and other office equipment								-		
Abattoirs								-		
Markets								-		
Civic Land and Buildings								-		
Other Buildings								-		
Other Land								-		
Surplus Assets - (Investment or Inventory)								-		
Other								-		
Agricultural assets		-	-	-	-	-	-	-		-
<i>List sub-class</i>								-		
								-		
Biological assets		-	-	-	-	-	-	-		-
<i>List sub-class</i>								-		
								-		
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Capital Expenditure on renewal of existing assets	1	-	27 995	3 444	-	49	444 ³	3 395	98.6%	-

APPENDICES

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

[illegible]

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Swimming pools								–		
Community halls								–		
Libraries			73	73	1	31	73	42	57.1%	
Recreational facilities								–		
Fire, safety & emergency								–		
Security and policing								–		
Buses								–		
Clinics								–		
Museums & Art Galleries								–		
Cemeteries			56	56	21	22	56	34	60.2%	
Social rental housing								–		
Other								–		
Heritage assets		–	–	–	–	–	–	–		–
Buildings								–		
Other								–		
		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Housing development								–		
Other								–		
		–	7 382	7 382	2	12 049	7 382	(4 667)	-63.2%	–
Other assets		–	7 382	7 382	446	12 049	7 382	(4 667)		–
General vehicles								–		
Specialised vehicles		–	–	–	–	–	–	–		–
Plant & equipment								–		
Computers - hardware/equipment								–		
Furniture and other office equipment								–		
Abattoirs								–		
Markets								–		
Civic Land and Buildings								–		
Other Buildings								–		

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Other Land								–		
Surplus Assets - (Investment or Inventory)					2			–		
Other			7 382	7 382	446	12 049	7 382	(4 667)	-63.2%	
<u>Agricultural assets</u>		–	–	–	–	–	–	–		–
<i>List sub-class</i>								–		
								–		
<u>Biological assets</u>		–	–	–	–	–	–	–		–
<i>List sub-class</i>								–		
								–		
<u>Intangibles</u>		–	–	–	–	–	–	–		–
Computers - software & programming								–		
Other								–		
Total Repairs and Maintenance Expenditure		–	22 324	22 324	550 ⁴	27 264	22 324	(4 940)	-22.1%	–

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

INFORMATION IS CONTENTS OF CHAPTER 3 ABOUT SERVICE DELIVERY

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

INFORMATION IS CONTENTS OF CHAPTER3 ABOUT SERVICE DELIVERY

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No schools	of	No classrooms	of	Water needs %		Sanitation needs	Electricity needs
94		1146		Water available	No water available	Backlog	Backlog
Total no of learners		Total of teachers		40%	60%	43%	24%
26869		1290					

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

1. Upgrading of Infrastructure of schools is the responsibility of the department of Education
2. Access of Primary health care services by farming community is a huge challenge.
3. Construction of Library and Information centres to enable farming community to access services
4. Construction of a new driver's licence testing station at Mokuruanyane is supposed to be constructed by the Provincial Department of Transport.
5. Maintenance of Road Infrastructure belonging to the District Municipality and the Provincial Department of Transport.
6. Upgrade of the sanitation facilities at Thabo Mbeki Town and Onverwacht/Marapong by the Department of CoGHSTA
7. Electrification of schools at the Rural Villages.
8. Telecommunications and Postal services at rural parts of Lephalale by South African Post and Telecommunications services still remains a huge challenge.
9. Formalization of villages by the department of CoGHSTA to extend provision of services to the rural villages.
10. Construction of RDP houses to address housing backlogs by the department of CoGHSTA.

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

Declaration of Loans and Grants made by the municipality 2014/15				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2014/15 R' 000	Total Amount committed over previous and future years
SPCA	Prevention of cruelty to animals, Money used to care for abandoned and abused animals	Caring of animals	189	
Mogol club	Maintenance of Sports and Recreational facilities at Onverwacht	Maintenance of facilities	496	
Sports Club Marapong	Maintenance of sports and Recreational facilities at Marapong	Maintenance of facilities	496	
* Loans/Grants - whether in cash or in kind				

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

ALL SECTION 71 FINANCIAL REPORT RETURNS WERE SUBMITTED TO PROVINCIAL AND NATIONAL TREASURY OFFICES FROM LEPHALALE MUNICIPALITY

APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

ON THE PRESIDENTIAL HOT LINE 31,

100% OF SERVICE DELIVERY COMPLAINTS LODGED AT THE PRESIDENTIAL AND PREMIER HOT LINES WERE ATTENDED AND RESOLVED BY THE MUNICIPALITY AS OF END OF THE FINANCIAL YEAR 2014/15

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

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