

**LEPHALALE
MUNICIPALITY**

**Draft
Annual
Report
2015-16**

Lephalale Local Municipality

ANNUAL REPORT

Volume I

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ACCRONYMS

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
LED	Local Economic Development
LDF	Local development Forum

ACRONYM / ABBREVIATION	MEANING
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
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
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 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, and fossil energy production.

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

It is evident through the visits from National Ministers of Mining and Public Enterprises that two sectors are source of development and growth in Lephalale Municipality. 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. The completion of MCWAP2 is key to unlocking mining opportunities around the area and thereby increases the business potential within area of jurisdiction.

Some of the key projects are as follows:

- ❖ Eskom's Medupi Power Station
- ❖ Mokolo Crocodile River Water Augmentation Project (phase1 &2)
- ❖ Opening of New Coal Mines – Several mines have been awarded mining rights such as Waterberg Coal, Sasol, 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 mine.
- ❖ Agricultural Corridor – The Municipality is working with several stakeholders in establishing agricultural projects which will transfer skills to local farmers to create sustainable farming enterprises through the selling of produce to local markets. This will be guided by the approved Lephalale Agricultural Master Plan and the LED Strategy.
- ❖ 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 Ogieb at a cost of around R32bn, which would eventually push coal volumes railed to more than 100Mt/year.

b. Key Policy Developments

Four of the Municipal By-laws were approved by Council in the 2015/16 financial year, of which three were gazetted and one By-law is still at vetting and gazetting stage. 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. The By-laws emanating from the introduction of SPLUMA has been adopted by Council and submitted to COGHSTA for vetting and Gazetting

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 2015/16, 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 on formal households.

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. However the municipality placed 26 elevated water tanks in informal settlements around Marapong where more than 6500 households are supplied with water.

A total number of 19 942 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 26 701 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 and Mohlasedi

A total of 1385 jobs were created through Municipal LED and capital projects throughout the year, and about 115 jobs created through CWP, EPWP Waste programmes throughout the year.

A total of 94% 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. The capacity of Waterberg electrical substation was increase 120MVA.

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

All the internal access roads/ streets within the 38 villages were bladed. There were 4 km of road upgraded to tar in two villages, Ditlounge and Kauletsi.

On the sports and recreation facilities, the refurbishment of Shongoane sport complex has commenced during the financial year.

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.

In terms of 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, there are 2 IDP road shows done and community imbizo's .

d. Future Actions

It is estimated that Lephalale will grow between four to five times its current size by 2030, if all foreseen developments take place within the projected time frames. This has necessitated the initiative

to review of the Spatial Development Framework to align with the principle SPLUMA, NDP and Limpopo Development plan and also to coordinate future developments. The approved CBD Plan 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 objectives of the Lephalale CBD Development Plan is to revitalizes 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. The municipality is in process of investigating the possibility for the construction of regional airport.

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, Waterberg coal, Boikarabelo and Resgen in improving infrastructure in Lephalale. Through the Lephalale Development Forum, the Municipality in partnership with strategic stakeholders coordinates infrastructure related initiatives. Furthermore there has been a major agreement between Roads Agency Limpopo, Exxaro mining company and Lephalale Municipality for construction of 2 roads through the rural villages, from Sefitlhogo to Letlora and a road from Tshethlong to Motswedding. These projects will cover three wards within the Municipality and benefit 13 rural communities.

e. 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.

The year 2015/16 has been a successful year in terms of service delivery which led to improvements towards community livelihood.

Lephalale Municipality will continue to deliver its constitutional mandate by providing quality and affordable services to its community. The municipality managed to maintain an unqualified audit opinion and significantly reduced the matters of emphasis from the report; hence this is a good story to tell.

On a sad note 2015/16 financial year is a year in which Lephalale Municipality lost one its traditional leaders who served as ex-officio member of Council, Kgosisigadi Shongoane.

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 2015-2016 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 OUTPUTS 9	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
Improving infrastructure	6 An efficient, competitive and responsive economic infrastructure network	Improved access to Basic Services	Public infrastructure investment programme Water Resource Development and Demand Management	Provide quality and well maintained infrastructural services in all municipal areas	Satisfied community members
An economy that will create more jobs	4 Decent employment through inclusive	Implement the Community work	Regional economic development and integration	Create a conducive environment for	Sustainable economy

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
	economic growth	programme and Co-operatives supported	programme	businesses to invest and prosper	
		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 Green economy and creation of green jobs	Protect the environment and improve community well-being	Safe, healthy and clean living conditions
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 communities	3 All people in 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	Corporate Governance	Enhance revenue and	Financial Viability and

NATIONAL DEVELOPMENT PLAN	NATIONAL OUTCOMES	OUTCOME 9 OUTPUTS	LIMPOPO ECONOMIC GROWTH AND DEVELOPMENT PLAN	LEPHALALE STRATEGIC OBJECTIVES	LEPHALALE DESIRED IMPACTS
		approach to municipal financing, planning and support		financial management	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 2015/16 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
- Risk Management.
- 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 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 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 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
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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
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 regarding employment opportunities, substance abuse, HIV/AIDS, abuse, safety, leadership and moral behaviours in partnership with NPOs and NGOs • 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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
		emerge and attend sporting events to identify potential stars and invite scouts

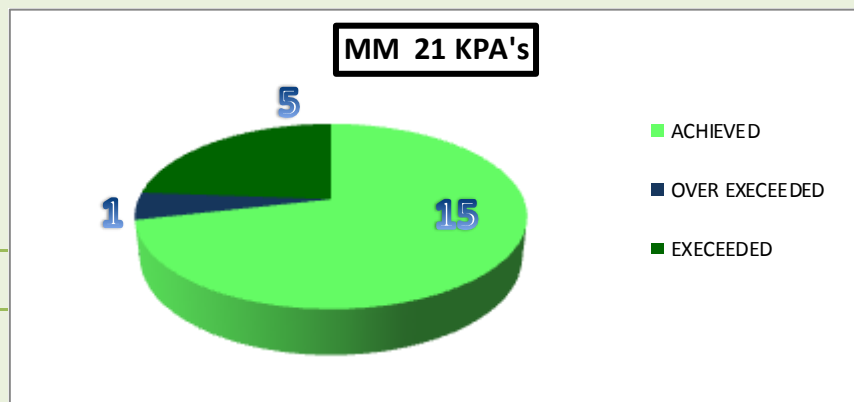
The last quarter of 2015/16 financial year, standard operating procedures and management resolutions as well as recommendation by the Audit and Performance Committee were implemented.

KPI's Outcome	Status as at 30 June 2016
Over Achieved Indicators	16
Indicators exceeded the set targets	19
Indicators Achieved the set targets	47
Average Indicators	10
Zero rated Indicators	3
Not Achieved Indicators	1
Total Reported Indicators	96

The Overall SDBIP achievement is 3.45.

The outcome of the average performance in the institution shows a fair to good institutional performance as the percentage of capital expenditure is 64.7%, from the adjusted budget and the additional MIG funds which were allocated after the Municipality managed to spend 100% of the MIG allocation in the third quarter of the 2015/16 Financial Year.

Office of the Municipal Manager has 23 indicators, 2 from the 23 indicators were reviewed not to be measured, 15 indicators have achieved target, and 5 indicators exceeded target and 1 indicator over exceeded target. The overall achievement for the department is 3.3



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:

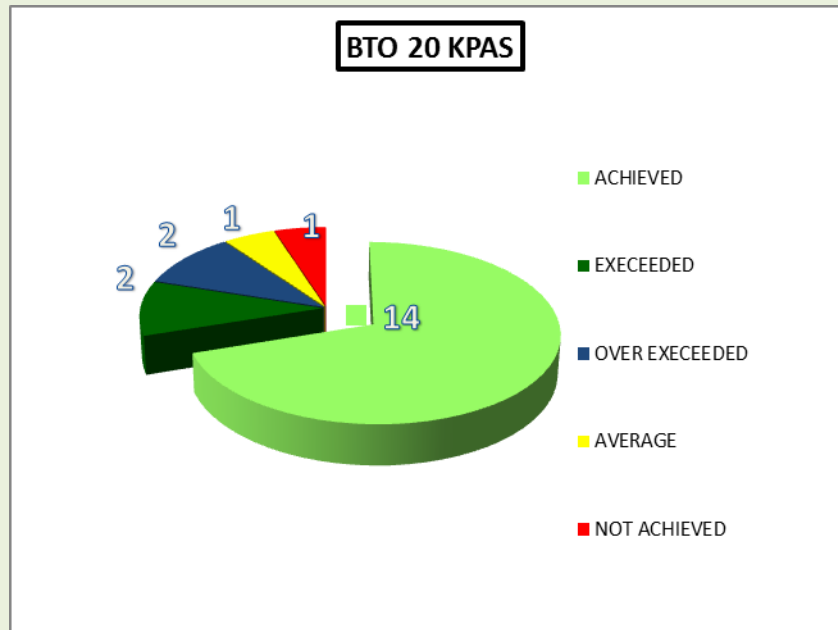
- The management of Municipality's financial accounting functions to ensure unqualified audit reports
- The compilation and control of the municipality's budget to effect no budget variance
- To manage cash receipts and disbursement to facilitate non-utilisation of bank overdrafts
- Accurate payment 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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
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 accounting 	<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. 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

Budget and Treasury has 21 indicators of which one indicator was reviewed not to be measured. From the 20 measured indicators 14 achieved targets, 2 indicators over exceeded the set target with 2 exceeding target slightly, 1 below average performance and 1 not achieved from the KPA Financial Viability. The 2 indicators under the KPA Good Governance achieved the set targets.



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:

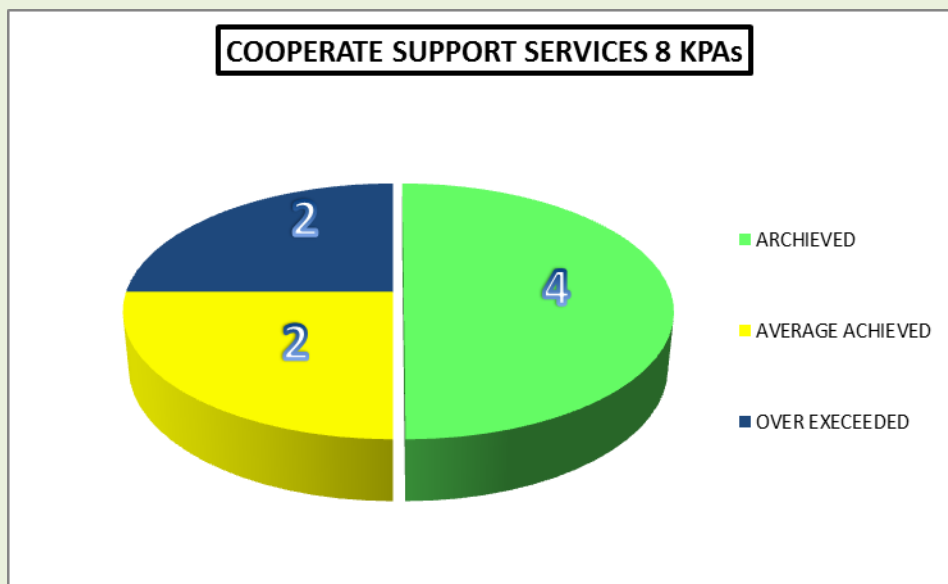
- The management of the Municipality's and department's human resources; legal services and administration in accordance with Municipal legislation and other legislation applicable to the Municipality, including the management, discipline and development of staff
- The cost effective management of the 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 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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
		<ul style="list-style-type: none"> • 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

Corporate Support Services has 9 indicators of which one was reviewed not to be measured. Out the 8 measured indicators 4 achieved targets, 2 over exceeded the set targets and 2 indicators had an average performance. Importantly, Council meetings were attended as scheduled.



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	Implement an effective administrative/regulatory framework for building plan	<ul style="list-style-type: none"> Develop a punitive strategy for dealing with building regulation transgressors (e.g. deprivation of electrical services of

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
inspectorate	approval by 2016	<ul style="list-style-type: none"> 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
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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
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

Development Planning has 16 indicators after adjusted SDBIP. Out of the 16 measured indicators 4 indicators achieved the set target, 4 indicator exceeded target, 2 indicators had an average below target performance from KPA Spatial Planning and 2 indicators were 0 weighted as planned for 2016/17. The 4 indicators under KPA, LED over exceeded the set target by bigger margins.



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 are
- The management of the mechanical workshop

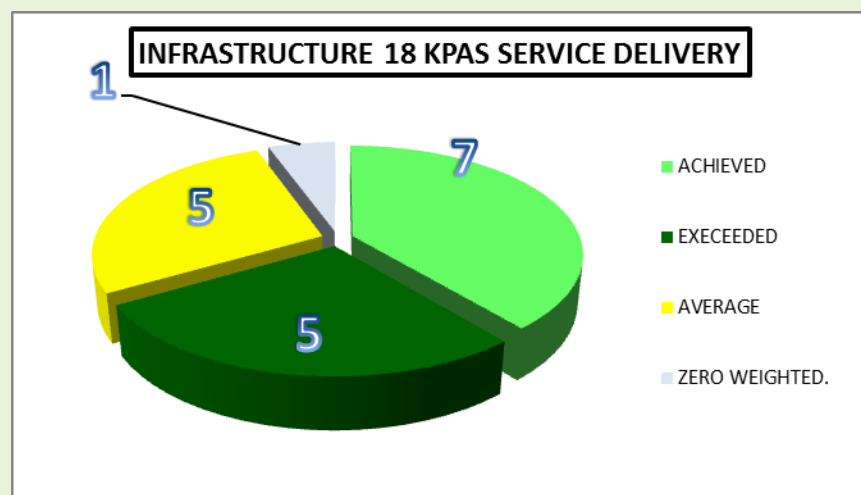
In the day to day activities, the Department is also required to contribute to the achievements of the following operational objectives and strategies as per IDP:

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 Infrastructure)	To provide all households within the municipal area with electricity in line with national targets by 2030	<ul style="list-style-type: none"> • Review electricity master plan
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).

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
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 Drop)	To establish a compliant, healthy and hygienic sanitation system by 2020	<ul style="list-style-type: none"> • Implement plan to ensure compliance (submission of portfolio of evidence for maintenance of sewer 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	<ul style="list-style-type: none"> • To ensure that all AC pipes are replaced by 2017 	<ul style="list-style-type: none"> • Expand on teams and employees responsible for maintenance of water infrastructure

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
and Upgrading	<ul style="list-style-type: none"> To attend and resolve all water breakdowns within 24 hours 	
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

Infrastructure Services has 19 indicators of which one was reviewed not to be measured and all the 18 measured indicators 7 achieved target, 5 exceeded target and only 5 indicators had an average performance. One indicator was zero weighted because it was moved out of the department.



Social Services Department is responsible for Recreational Facilities, Solid Waste Management and Environmental Management, Housing, Library, Ports 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 Authority

- Fire Services and Disaster Management
- Library and Thusong Centres

The key functions of the Department are:

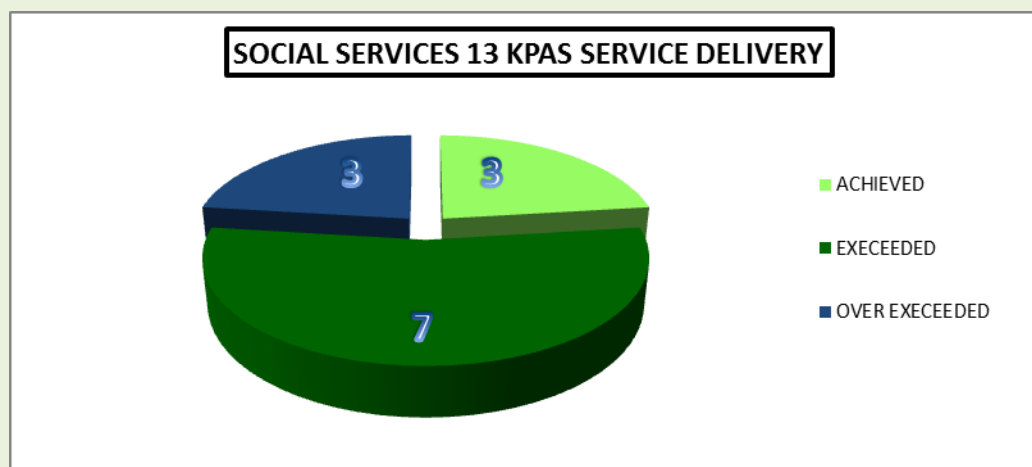
- Through Environmental management, ensuring clean, safe and quality water, pollution free environment and the appropriate disposal of the dead and refuse
- To ensure environmental sustainability and ecological preservation and conservation
- Manage the provision of fire and rescue services in saving 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 Disaster Management	<ul style="list-style-type: none"> • To arrive within 15 minutes for every 40 kilometres travelled at incidents after vehicles dispatched 	<ul style="list-style-type: none"> • Implementation of fire prevention measures through regular inspections on buildings and fire hydrants • 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

PROGRAMMES / FOCUS AREAS	PROGRAMME OBJECTIVE	IMMEDIATE STRATEGIES (1-2 YRS)
		<ul style="list-style-type: none"> 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 Continuously ensure effective enforcement of the environmental legislation 	<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
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

Social Services have 13 indicators of which all achieved the set target. 7 Indicators exceeded target, 3 indicators over exceeded target and only 3 achieved. Weekly refuse removal is enjoined by over 19942 households at urban areas plus 5 rural villages estimated at 6759 households, 5 library campaigns done and safety forum are successfully held.



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, four (4) excelled, ten(10) achieved target and only one (1) did not reach target. Of note is that the financial viability indicators performed exceptionally well, except the one on percentage cost coverage, all the indicators related to access to basic and free basic services and spending on the workplace skills plan achieved target. The indicators related to LED and job creation performed well

CAPITAL PROJECT IMPLEMENTATION:

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

Of the 94 projects funded from **Own Capital** which includes roll overs from previous year, 38 were completed by the end of the financial year, twenty (20) were delayed and nineteen (36) made minimal progress. This includes furnisher and equipment purchases, partitioning of offices to increase space as per au 'recon study recommendations.

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

Of the eight (8) projects funded by MIG, six (6) were completed by the end of the financial year and two (2) was delayed, However 3 roads project were brought forward by a year.

MWIG, a multi-year project in progress the project involves the refurbishment of AC pipes.

Of the five (5) projects funded by MSIG, four (4) were completed by the end of the financial year except for the project for electronic billboard. The overall capital expenditure is 64, 7% with the additional R35 m MIG funding allocated after the municipality exhausted its original MIG funding in the third quarter of the financial year under review.

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 572%, cost coverage declined from 450% to 138%, debt coverage at 1881% as well as the vast improvement on debt collection whereby the debt collection rate stood at 95% at the end of the financial year.

We closed the year with outstanding service debtors to revenue at 8, 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 municipality as agent of WDM.

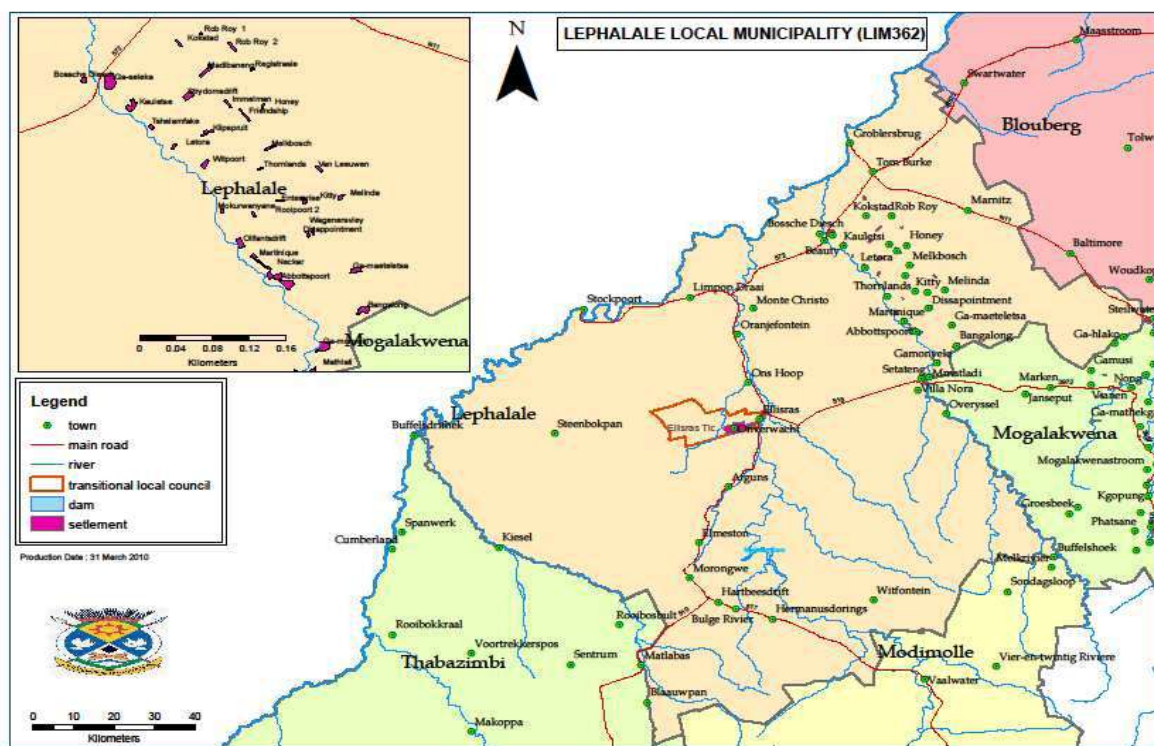
Function	Authority	Capacity	Personnel	Department	Budget	Comments
Local tourism & LED	Yes	Yes	1	Development planning	Yes	Perform function in collaboration with local tourism association
Municipal planning	Yes	Yes	3	Development planning	Yes	With spatial development and land use and building control
Municipal 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 to sell food to the public	Yes	No	N/A	WDM function	No	Function performed by WDM.

Function	Authority	Capacity	Personnel	Department	Budget	Comments
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



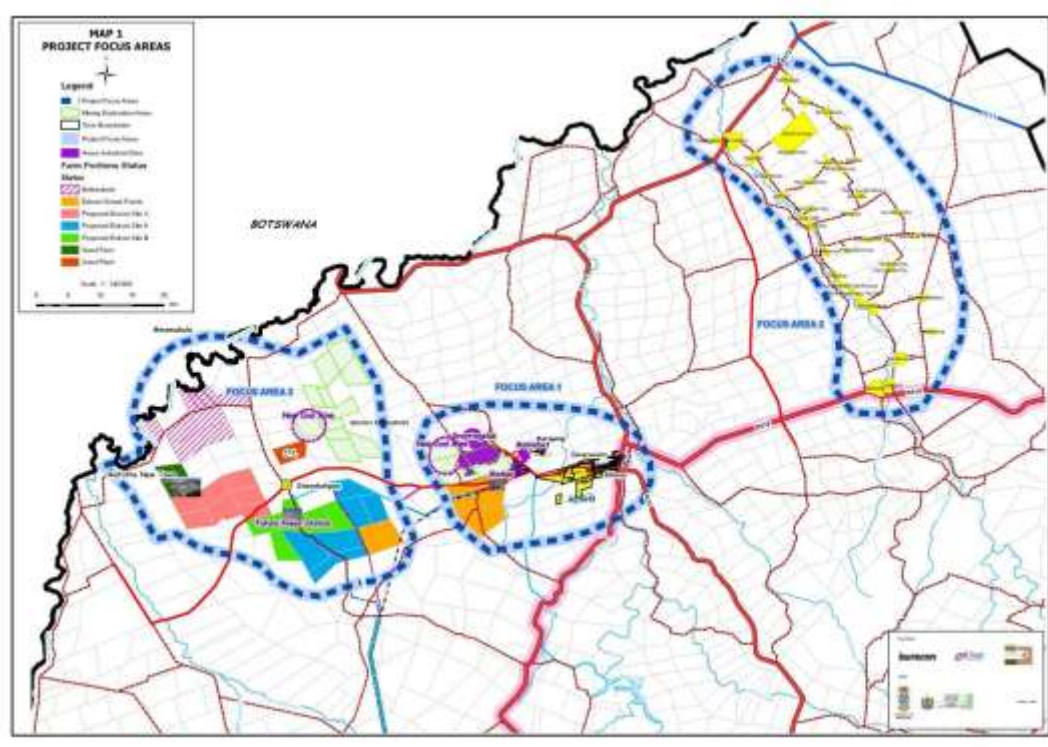
Lephalale Municipal area's contribution of mining to GDP is significant at 59.21%. Electricity contributes 11.33% to the GDP and its contribution to the Waterberg electricity sector is at 69.65%. Other sectors that have a significant contribution to the Waterberg GDP per sector include agriculture, mining, 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

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 Lephallale 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 Lephallale, 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 Lephallale, 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 Lephallale 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 Lephallale 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.

Lephallale Municipality is an electricity provider and has an electrical reticulation network supplying electricity to Onverwacht and the eastern region of Lephallale. The Lephallale electricity network is supplied from Eskom at 11kV via the Lephallale 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 19942 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 26701 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 and Mohlasedi.

A total number of 1385 jobs were created through EPWP Waste programmes for the year, CWP and Municipal Capital projects.

A total of 94% 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. About 1051 new connections were done in 2015/16

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 Sefithlho 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 2 IDP road shows were held at Steenbokpan Ward 3 and Thabo Mbeki, Ward 9

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 five departments: Corporate Service, Budget & Treasury, Development Planning, Infrastructure Services, and Social Services, A new contractual position has been introduced to deal with activities in the Office of the mayor specifically.

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 4 % from an organizational structure of 525; the total number of filled post was 457 which include interns. One percent of the total budget was spent on work skills development. All HR policies were reviewed and updated for council to adopt in the financial year.

Performance Evaluations for the financial year 2014/15 were conducted successfully and bonuses were paid to deserving individuals.

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	31%
Repairs & maintenance	4%
Finance charge & impairment	6%

COMMENT ON OPERATING RATIOS:

Employee cost is inclusive of Councillors remunerations is equal to R158 801 823 versus the total operating expenditure of R504 318 712. Repairs and maintenance total cost is R21 466 624 and the finances charges are R17 028 021 from the total operating expenditure of R504 318 712.

TOTAL CAPITAL EXPENDITURE

Total Capital Expenditure:Year-2 To Year				
	2015/16	2014/15	2013/14	R'000
Detail	Year-2	Year-1	Year0	
Original budget	R75 904 000	R97 240 520	R70 997 600	
Adjustment budget	R116 340 000	R90 240 520	R131 157 400	
Actual	R83 875 000	R52 697 421	96 888 492	
	72%	58%	74 %	

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 2015/16 financial year, the municipality obtained an unqualified audit opinion. The audit queries have decreased from 96 in the 2014/15 financial year to 34 in the 2015/16 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
T 1.7.1		

1.8 RISK ASSESMENT

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions. The Committee held 4 quarterly meetings as per its roles and responsibilities and one special meeting to review and recommend for the approval of the Risk Management policies and strategy in the 2015/16 financial year.

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	TREATMENT PLANS
Unreliable provision of sanitation services.	1. Sewer system capacity not responsive to population growth.	Redesigning of the entire sewerage network system to ensure that we meet our demands including maintenance issues.
	2. Improper maintenance of sanitation infrastructure.	Monitoring and repairs of the existing sewer system and Installation of telemetric system.
	3. Out-dated technology to monitor or detect faults in the sewer system.	Regular maintenance of Paarl waste water treatment plant and sewer pump station 1.
	4. Aging infrastructure.	Routine checks on all sewer pump stations.
		Replacement of the AC (Asbestos concrete pipes).
Financial unsustainability	1. Non collection of revenue, 2. Poor implementation of credit control and debt collection policy, Inaccurate billing of accounts.	Effective Budget control and monitoring. A debt collector has been appointed to assist with the collection of long outstanding debtors
	3. Lack of skills and capacity.	Training of key finance officials on GRAP.
	4. Unauthorised expenditure.	Developed and implement the compliance checklist.
	5. Non-compliance to laws and regulations (statutory controls).	Enforcement of consequence management Performing monthly/quarterly budget meetings and reconciliations
	6. Poor costing modelling.	
	7. Lack of budget control.	
Fraud and corruption	1. Mal-administration	Implementation of Human resource Policy.
	2. Lack of awareness and campaigns on fraud and corruption policies and code of conduct.	Conduct workshops on code of conduct and HR policy to all employees.
	3. Ignorance	
	4. Non-compliance to laws and regulations	Continue with regular audits to review the effectiveness and efficiency of existing Internal controls. Implementation of Fraud Policy and prevention strategy and investigation of all fraud allegations

	5. Ill-discipline. 6. Unethical behaviour.	Functional Anti-corruption hotline Enforcement of disciplinary actions and consequence management
Unreliable provision of water services	1. Low water table due to lack of rain and malfunctioning of water supply system.	Maintenance plan in place for some of the infrastructure assets.
	2. Aging infrastructure(Pipe burst, worn-out vells and unaccounted for water loss)	Augmentation of bulk water supply through MCWAP 1
	3. Limited budget for the implementation of bulk water projects.	Continuous refurbishment of rural water system.
	4. Inadequate personnel.	Key staff trained on technical skills.
Community unrests	1. Non implementation of public participation programs.	IDP & budget process plan is implemented.
	2. Lack of feedback to the communities.	Holding adhoc community meetings
		Conduct quarterly Ward committee meetings to provide feedback to the community on the performance of the Municipality. Implementation of the Communication Strategy.

1.9 CHANGE OF MANAGEMENT

In 2015/16 administration leadership has been stable, since the appointment of the Municipal manager in the first quarter of the financial year. At end of the financial year only the CFO's position was vacant at the level of section 56 Executive Managers, Middle management were given more responsibilities in terms of monitoring and reporting.

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 as an 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 2015/16, 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 7meeting in the 2015/16 financial year.

Photos

POLITICAL STRUCTURE



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> Ward 1 Mr WM MOTLOKWA (ANC) Ward 2 Ms GB KOADI (ANC) Ward 3 Mr F MAGWAI(ANC) Ward 4 S.M NIEWOUDT (DA) Ward 5 Ms M.J MOJELA(ANC) Ward 6 Ms P. NGOAKO (ANC) Ward 7 Mr JA MOGOASA(ANC) Ward 8 Ms MJ SELOKELA(ANC) Ward 9 A. THULARE (ANC) Ward 10 Ms C MATSHABA(ANC) Ward 11 Mr NJ MOTEBELE(ANC) Ward 12 Ms P MOLEKWA(ANC)	<u>PR Councillors:</u> PR1 Mr MJ MAEKO(ANC) PR 2Ms MR BOLOKA(ANC) PR 3Ms KR MOLOKOMME(ANC) PR 4 Ms SHONGWE LM(ANC) PR 5Mr DINALE ME(ANC) PR 6Ms RM MOATSHE(ANC) PR 7Ms ME MAISELA(ANC) PR 8 Ms M J MONYEMORATHO(ANC) PR 9Mr MJ MARAKALALA(ANC) PR 10 Ms AE BASSON(DA) PR 11Mr LS MANAMELA (DA) PR 12 Ms SJ PELOTONA(COPE)
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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 14 Council meetings were held of which 9 were ordinary and 4 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 2015/16 Financial Year	Ordinary EXCO and Dates	Ordinary Council Meeting and Dates	Special EXCO and Date	Special Council and Dates
21 July 2015	0	0	1	1
12 August 2015	0	0	1	1
27 August 2015	1	1	0	0
11 September 2015	0	0	1	1
17 September 2015	0	0	1	1
27 October 2015	1	1	0	0
24 November 2015				
18 December 2015	1	1		
22 Jan 2016	1	1	0	0
23/25 Feb 2016	1	1		
30 March 2016	1	1		
26 April 2016	1	1		
31 May 2016	1	1		
07 /28 June 2016	1	1		
Totals	9	9	4	4

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 2015/16 administration leadership has been stable, since the appointment of the Municipal manager in the first quarter of the financial year. At end of the financial year only the CFO's position was vacant at the level of section 56 Executive Managers, Middle management were given more responsibilities in terms of monitoring and reporting.

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 (Ms .E.M TUKAKGOMO)	Strategic Support, Liaise and advice Political Structures, Internal Audit, risk management and manage Administration. 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
TIER 2	
CHIEF FINANCIAL OFFICER MR. N C LEKAKA (Resigned in the third quarter)	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; Library, Arts and Culture; Safety and Security; Fire and Rescue Services; Disaster Management; Traffic Control; Licensing Authority.
EXECUTIVE MANAGER: CORPORATE SUPPORT SERVICES Mr M G MAKGAMATHA	Administrative Support; Legal and Secretariat; Human Resources and ICT.
EXECUTIVE MANAGER: INFRASTRUCTURE SERVICES MR. KL TLHAKO	Water services; Electrical services; Sanitation services; Public Works; Roads and Storm water; Municipal Workshop and Project Management Unit.
EXECUTIVE MANAGER: DEVELOPMENT PLANNING SERVICES MS. B S RADIPABE	LED, Spatial and Land Use Management; Human Settlements 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 2015/16 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 2015/16 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 (Steenbok pan Ward 3)	05/04/2016	20	36	1400	Service delivery issues.	Yes	N/A
IDP/BUDGET ROADSHOW (Thabo Mbeki T Ward 8)	07/04/2016	19	34	1050	Service delivery issues	Yes	N/A
Mayoral Stakeholders Engagement	19 September 2015	13	14	200	Involvement of Stakeholders in decision making		
Mayoral Traditional House Indaba	22 September 2015	18	6	300	Strengthen the role of traditional leaders in Government		

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
Community consultation meeting (Marapong)	04 August 2015	16	10	1650		Yes	N/A
Community consultative Meeting(Shongoane)	01 August 2015	14	12	1600	Access to housing and basis services	Yes	N/A
Community consultative meeting(Mokukenyane Thusong Centre)	22 September 2015	18	16	1400	Water and Roads services	No	N/A
Consultation with Youth Structures for EPWP(Botshabelo) Ward 11	24 July 2015	16	14	800	Jobs and business opportunities	Not All issues	N/A
Public Participation meeting(Mohlasedi)	16 July 2015	19	16	700	Electricity and Water Services	Yes	N/A
Community Outreach (Ga-Mocheke)	01 October 2015	16	20	1050	Water and roads	Yes	N/A
Ndabezitha Imbizo(Thabo Mbeki)	16 October 2015	13	6	780	Domestic Violence		
Indigenous hubs sports Committee(Thabo Mbeki)	21 November 2015	22	10	180	Establishment of Indigenous games Committee		
Back To School Campaign(Diammona High School)	15 January 2016	18	5	1200	Scholar Transport		
Local Aids Council nominations(S eleka)	28 Feb 2016	16	10	300		No	N/A
Arts and	10 March	14	8	400	N/A	N/A	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
Culture Indaba (Thabo Mbeki)	2016						
Community consultative meeting	7 May 2016	18	7	640	Basic Services and Job creation	N/A	
Community consultative meeting	05 June 2016	15	11	600	N/A	N/A	N/A
Senior Citizen imbizo(Seleka Hall)	20 June 2016	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 2015/16. All the 12 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 2016-17, 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

Municipality Finance Management Act, SECTION 62(1) (c) (i) states that the Accounting Officer must ensure that department has and maintains effective, efficient and transparent systems of financial and risk management and internal control and that risk assessment are conducted regularly to identify emerging risks of the institution.

The Municipality has established the Risk Management Committee as per the King III Report on corporate governance and the Public Sector Risk Management framework to adequately review, assess and monitor the effectiveness of controls managing the risks involved in both strategic and operational directions. The Committee held 4 quarterly meetings as per its roles and responsibilities and one special meeting to review and recommend for the approval of the Risk Management policies and strategy in the 2015/16 financial year.

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

Below are the top 7 risks of the Municipality:

RISKS	ROOT CAUSES	TREATMENT PLANS
Unreliable provision of sanitation services.	1. Sewer system capacity not responsive to population growth.	Redesigning of the entire sewerage network system to ensure that we meet our demands including maintenance issues.
	2. Improper maintenance of sanitation infrastructure.	Monitoring and repairs of the existing sewer system and Installation of telemetric system.
	3. Out-dated technology to monitor or detect faults in the sewer system.	Regular maintenance of Paarl waste water treatment plant and sewer pump station 1.
	4. Aging infrastructure.	Routine checks on all sewer pump stations.
		Replacement of the AC (Asbestos concrete pipes).

Financial unsustainability	1. Non collection of revenue, 2. Poor implementation of credit control and debt collection policy, Inaccurate billing of accounts.	Effective Budget control and monitoring. A debt collector has been appointed to assist with the collection of long outstanding debtors
	3. Lack of skills and capacity.	Training of key finance officials on GRAP.
	4. Unauthorised expenditure.	Developed and implement the compliance checklist.
	5. Non-compliance to laws and regulations (statutory controls).	Enforcement of consequence management Performing monthly/quarterly budget meetings and reconciliations
	6. Poor costing modelling.	
	7. Lack of budget control.	
Fraud and corruption	1. Mal-administration	Implementation of Human resource Policy.
	2. Lack of awareness and campaigns on fraud and corruption policies and code of conduct. 3. Ignorance	Conduct workshops on code of conduct and HR policy to all employees.
	4. Non-compliance to laws and regulations	Continue with regular audits to review the effectiveness and efficiency of existing Internal controls. Implementation of Fraud Policy and prevention strategy and investigation of all fraud allegations
	5. Ill-discipline. 6. Unethical behaviour.	Functional Anti-corruption hotline Enforcement of disciplinary actions and consequence management
Unreliable provision of water services	1. Low water table due to lack of rain and malfunctioning of water supply system.	Maintenance plan in place for some of the infrastructure assets.
	2. Aging infrastructure (Pipe burst, worn-out vells and unaccounted for water loss)	Augmentation of bulk water supply through MCWAP 1
	3. Limited budget for the implementation of bulk water projects.	Continuous refurbishment of rural water system.
	4. Inadequate personnel.	Key staff trained on technical skills.
Community unrests	1. Non implementation of public participation programs.	IDP & budget process plan is implemented.
	2. Lack of feedback to the communities.	Holding adhoc community meetings
		Conduct quarterly Ward committee meetings to provide feedback to the community on the performance of the Municipality. Implementation of the Communication Strategy.
Environmental pollution	1. Industrialization.	Enforcement of the by-laws
	2. Emissions from motor vehicles.	Conduct environmental education, advocacy and awareness campaigns. Conducting cleaning campaigns.

	3. Fossil fuel and coal burning. 4. Littering and illegal dumping of waste (solid waste).	Weekly waste collection in the informal settlements. Establishment of school and community minimization clubs. Extension of waste management services to the rural and unserved areas.
	5. Improper disposal of waste.	Revised the standard waste operational plan for the rural areas.
Inability to retain and attract investors	1. Insufficient infrastructure services :(sanitation, water and roads.)	Frequent Stakeholder engagements at LED and LDF platforms. RAL and EXARRO partnership in place for road infrastructure development. Boikarabelo MOA signed with LLM for Infrastructure upgrading initiatives.
	2.Lack of land for development	Engagements with Government department for land acquisition.
	3. Lack of human resource capacity.	Engagement with sector departments on additional HR capacity.
	4. Lack of support towards business initiatives.	Ensure the compliance with the Spatial development framework.
Unreliable provision of electricity services	1.Aging infrastructure	Monitoring and maintenance of electricity network system.
	2. Illegal connections.	Installed the smart-metering system in some of the Municipal licenced areas.

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:

- Anti-corruption hotline
- Fraud awareness and campaigns
- 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 Specification, 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 2014/15 and Adopted in 2015/16				
Newly Developed	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	Date of Publication
Tariffs by -Law	NONE	Yes	15 August 2014	June 2015
Property Rates by-Law		Yes	15 August 2014	June 2015
Credit Control and Debt Collection by-Law	NONE	Yes	15 August 2014	June 2015
SPLUMA By-Law	NONE	Yes	15 August 2015	Not yet gazette
Child care By-Law		Yes	15 August 2015	Not yet gazette

Road Traffic By-Law	NONE	Yes	15 August 2015	Referred back
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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 2015/16 financial year, 5 by-laws were established during the 2014/15 financial year, Out of the 5 established two 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	16/01/2016 17/06/2015
All current budget-related policies	Yes	04/05/ 2015 18/06/2015
The previous annual report (2013/14)	Yes	09 /04/ 2015
The annual report (2014/15) published/to be published	Yes	03/ 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2015/16) and resulting scorecards	Yes	28 /07/2015
All service delivery agreements (2015/16)	Yes	27/06/2015
All long-term borrowing contracts (2015/16)	Yes	13/01/2015
All supply chain management contracts above a prescribed value (give value) for 2015/16	Yes	22/11/2015
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 2015/16	Yes	22/03/2016
Contracts agreed in 2015/16 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	29/7/2015
Public-private partnership agreements referred to in section 120 made in 2015/16	Yes	29/7/2015
All quarterly reports tabled in the Council in terms of section 52 (d) during 2015/16	Yes	23/4/2016

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.

Customer satisfaction survey was not conducted for the financial 2015/16 due to lack of capacity and budget; there were sporadic incidences of service delivery protests from communities in rural villages.

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

This chapter in the annual report is in compliance with section 46 of the Municipal Systems Act No 32 of 2003. The information contained within this report will be used to populate the annual report. Section 46 of the Municipal Systems Act requires reporting on the following in the annual performance report:

- Performance of the municipality and each external service provider
 - External Service Provider is defined in Section 1 of the Municipal Systems Act as: an external mechanism referred to in section 76 (b) which provides a municipal service on behalf of a municipality. The meaning of 'external service provider' is synonymous as Entity. Lephalale Local Municipality does not currently have any entity that provides municipal services on behalf of the municipality; therefore it is not required to include such a report in the report.
- Section 41(2) of MSA states: *The system applied by a municipality in compliance with subsection (1) (c) must be devised in such a way that it may serve as an early warning indicator of under-performance.*
Each institution needs to collect a wide range of performance information for management purposes, however not all information is relevant in accountability documents. The institution should specify in its planning documents a set of performance targets it will report against in its accountability documents.

The set of indicators selected for accountability reporting ought to provide a holistic view of the institution's performance.

In the case of concurrent functions, National Departments need to identify a core set of indicators that need to be reported by Provincial and local government to ensure comparability.

- Performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action.
This means getting the right information in the right format to the right people at the right time. Institutions need to find out what information the various users of performance information need, and develop formats and systems

- Comparison of performance against set targets and performance in previous financial year
- Quarterly and annual performance against quarterly and annual targets as per the Adjustment Service Delivery and Budget Implementation Plan (SDBIP) is reported on. The Adjusted SDBIP contains the objectives and indicators as per the Municipal Integrated Development Plan (IDP) as well as General Key Performance Indicators as prescribed in terms of Section 43 of the Municipal Systems Act and Regulation 796 of 2001. The SDBIP for 2015-16 was developed to reflect **cumulative performance**, therefore the **status of indicators are also cumulative** and reflection of the overall performance level achieved year to date.
 - The format to calculate the variance between actual annual performance and annual targets are included for each Key Performance Indicator (KPI).
 - The baseline (previous financial year) performance are included for each KPI to reflect progress made from the previous financial year to the reporting financial year.
 - Comparisons of performance against targets are highlighted in the form of colours based on scores which were calculated using a system adapted to comply with the Lephalale Local Municipality's performance management requirements. 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%	+

The adjusted of the SDBIP 2015/16 resulted to 96 KPIs, of which 93 were measured and 3 zero weighted due to various reasons. The average overall performance calculated from the key performance indicators and projects is 3.45

For service delivery performance statistics the number of households used in this report is 29800 from the 2011 South African statistics, however it is acknowledged that since 2011 there is a change to higher number which was not counted. Based on the records for new installation on electrical connections the estimated total number of households is 34249.

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

Overall SDBIP	Number of KPIs	Qtr. 4			Overall Score
		KPI	PRJ	AVG	

SDBIP Overall Average					3.45
Office of the Municipal	21				3.3
KPA6: Good Governance	21	3.3		3.3	
Corporate and Support	8				3.3
KPA5: Transformation and	4	2.65		2.65	
KPA6: Good Governance	4	4		4	
Development Planning	16				4.1
KPA1: Spatial Rationale	12	3.20		3.20	
KPA4: Local Economic	4	5		5	
Budget and Treasury	20				3.1
KPA3: Financial Viability and	18	3.2		3,2	
KPA6: Good Governance	2	3		3	
Social Services	13				4
KPA2: Service Delivery and	13	4		4	
Infrastructure Services	18				3
KPA2: Service Delivery and	18	3		3	
Projects			2.70	2.70	
Own capital			2.15	2.15	
MIG			3.2	3.2	

A summary of the Strategic (SDBIP) of the non-financial performance per Vote and Key Performance Area (KPA) at the end of the 2015/16 financial year is being highlighted; indicating the successes and challenges per Department follows.

OFFICE OF THE MUNICIPAL MANAGER:

The indicators below are in the Municipal Manager's Office and directly linked to the functions of the Office. Indicators and targets for the municipality to ensure the achievement of impact and outcomes identified in the strategic planning process are shared amongst all departments. 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 performance of 3.3.

The Municipality is accountable for other Performance indicators in all the departments, such indicators may not be on the score card below.

- Performance Management
- Internal Auditing
- Risk Management
- IDP
- Public Participation
- Communication
- Office of the Mayor

The following SDBIP achievements were noted:

- A total of 14 special projects were completed successfully
- Unqualified Audit opinion was achieved on financial statements
- A total of 26 media releases were issued in the 2015/16 financial year.
- A total of three (3) media briefings were done in the financial year 2015/16.
- 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) IDP rep forums held in the 2015/16 financial year
- The two (2) targeted IDP road shows were held at Thabo Mbeki town, and Steenbokpan
- Lephalale Local Municipality's 2015/16 IDP was rated as highly credible by the MEC of CoGHSTA
- Lephalale Local Municipality's IDP for 2016/17 was approved by Council by the end of May 2016
- The Annual Report was approved by Council on timeously
- The SDBIP(2015/16) was signed by the Mayor before end of June 2016
- In the 2015/16 financial seven(7) Audit and Performance committee meetings were held
- The Annual Performance Report and Annual Performance Statements for 2014/15 were submitted to the Auditor-General, CoGHSTA, National and Provincial Treasury by 31st August 2015

CORPORATE SUPPORT SERVICES:

The department has the following Divisions:

- Administration and Secretariat
- Human Resources
- Legal Services

The following were noted

The Department Corporate support services achieved an overall rating of 3.3 which is performance of over 100% and the following successes were noted.

- OHS Audits were conducted as expected
- 26 out of target of 30 managerial positions were filled
- One Percent of the municipal Operating budget was spent on implementing workplace skills plan
- A total of 11 interns were appointed in the 2015/16 financial year
- Nine (9) Ordinary and 2 Special Council Meetings were held in 2015/16 financial year
- A Total of three (3) by-laws were adopted by Council, vetted and gazetted, one (1) by-law was adopted by council, but not yet vetted and gazetted.
- About 9 ICT policies were reviewed and approved by Council and two new IT policies were also approved by Council
- A total of 12 Mayoral bursaries were awarded in 2016.
- EAP unit was established and functional
- LLF meetings are held regularly

The challenges within the department are the delays in filling of positions as result of unsuitable applicants.

DEVELOPMENT PLANNING:

The Department Development Planning achieved an overall rating of 4.1 at the end of the financial year, Successes and challenges are listed below:

The department has the following Divisions:

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

The following were noted:

- All 47 building contraventions were attended to on time and notices issued against defaulters within the given time frame;
- All the 147 building plans submitted were assessed within the prescribed time frame;
- All of land use (township establishment) applications were considered by Exco within 4 months of receipt of application;
- All of Land use application received in 2015/16 were considered in terms of delegated powers within two months ;
- A total of 1932 jobs were created through strategic partners, throughout the year;
- A total of 1385 jobs were created through municipal LED and capital projects throughout the year, and about 115 jobs created through EPWP Waste programmes throughout the year;
- Under KPA, LED the Municipality managed to enter into partnerships with nine (9) institutions;
- A total of 23 meetings were held with strategic partners in the 2015/16 financial year;
- The compilation of LUMS and the review of the SDF are in progress as at end June 2016.

BUDGET AND TREASURY:

The department has the following Divisions:

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

Successes that were noted from this department are as follows:

The Department Budget and Treasury achieved an overall rating of 3.1, which is a performance of over 100% and the following Successes were noted from this department:

- The two asset verifications were done as planned;
- The liquidity ratio stood at 572% against the target of 200% as the value of assets far outweigh the value of liabilities;
- Quarterly financial report were prepared submitted to Council on time;
- The annual financial statements (AFS 2014/15) were compiled and submitted to the Auditor-General on time;
- The interim financial statement were submitted in March 2016 to AG, Cogesta and Provincial Treasury;
- The average turnaround time for adjudication of tenders after closing of tenders was reported as 89 days;
- Percentage debt coverage was a staggering 1881% against a target of 200%;
- 1470 households have been registered as indigents and all 1470 receive free basic services
- The debtors collector rate was reported as 99% in that the total billing stood at R 320Million revenue billed and R 318Million collected
- Outstanding service debtors to revenue are currently 8% against a target of 25%.
- Percentage cost coverage was reduced from 450% at the end of the third quarter to 138% by year end against a target of 200%
- The credit control policy was reviewed during the budget process
- An unqualified audit opinion was achieved for financial year 2014/15

Challenges is the declined in Cost Coverage to 138% and the unsatisfactory capital expenditure on own funding projects, and the overall capital expenditure is 64, 7% after reallocation of additional MIG funding of 35 million rand.

SOCIAL SERVICES:

The department has the following Divisions:

- Traffic , Road Safety and Security
- Registration Authority and Licensing
- Waste Management
- Parks and Recreational facilities
- Libraries and Thusong Centres
- Fire and disaster management Divisions

In 2015/16 financial year, Social Services Department managed to achieve the overall performance targets. The Department achieved the rating of 4. The achievements are as follows:

- Four (4) meetings held with stakeholders in the public transport sector as scheduled;
- 1412 trees were planted in the financial year;
- A total of 4 Library campaigns against 3 targeted were realised;
- Turnaround times of learner license applicants to be tested was achieved at one week;
- A total of Five (5) joint law enforcement campaigns were held with sector department;
- A total of 6 safety and security forums were held successfully;
- General non-hazardous waste collected in all 19942 households in urban areas 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 and 16 fire prevention awareness campaigns conducted.
- About 15 environmental education campaign were conducted in the Municipal borders
- About 89.3% of households has access to solid waste removal
- A total of 640 speed checks performed in the 2015/16 financial year

INFRASTRUCTURE SERVICES:

The department has the following Divisions:

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

The Department achieved a rating of 3 which is a performance of 100% and the following were noted:

- Water loss for the financial year was calculated as 12.78% water gain against a target of 14% loss
- All of the 38 villages, 2 informal settlements and 2 townships internal streets were graded during the financial year 2015/16
- 96% of households have electricity against the target of 95% and a total of 1049 new electrical connections were done
- 94.5 % of the households have access to basic level of sanitation and additional 66 VIP were completed;
- 95% of the households have access to basic level of water. The WSA managed to eradicate the back log on all formal settlements.
- The Bulk Water feasibility Study and Implementation plan was completed
- A total of 28208 households have access to basic level of water and all informal settlements were provided with temporary water tanks and reticulation;
- Electricity loss was calculated to be 10.63% electrical loss at the end of a financial year against a target of 15%
- A total of 4 Km road was constructed in two villages Kauletsi and Ditlounge, the Remaining 3,5 Km at Ga- Monyeki in progress
- The MIG funding allocated was 100% spent at the beginning of 3rd quarter and additional 35 Million was granted;
- Water reticulation infrastructure was refurbished at Mokuruenyane villages through DWS funded Municipal Water Infrastructure Grant.

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. Grootegeeluk 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 Grootegeeluk 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 Wolfefontein 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 Grootegeeluk 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, Grootegeeluk 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 of 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 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					
Households below basic level of service/Backlog as a percentage		10%					

Sources: StatsSA 2011 and IDP

Sources: APR 2016

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_399	Percentage of households with access to basic level of water	92	94	94	98	98	100
Provide quality and well maintained infrastructural services in all municipal areas	M_81	Percentage of water losses YTD	10.37	14	12,78	10	10	10

Employees: Water Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	1	5	5	0	0%
4 - 6	7	10	9	1	10%
7 - 9	8	3	3	0	0%
10 - 12	0	7	7	0	0%
13 - 14	21	28	21	7	25%
	8				15%
Total	45	53	45	8	
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2015/16: Water Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget to
Total Operational Revenue (excluding tariffs)	78,201,466	101,028,610	106,917,635	90,705,112	16,212,523
Expenditure:					
Employees	12,451,491	14,324,683	15,074,684	15,246,957	-172,273
Repairs and Maintenance	2,310,983	1,983,375	2,470,974	2,904,108	-433,134
Other	49,237,977	43,888,355	43,592,340	48,479,379	-4,887,039
Total Operational Expenditure	64,000,451	60,196,413	61,137,998	66,630,444	-5,492,446
Net Operational (Service) Expenditure	14,201,015	40,832,197	45,779,637	24,074,668	21,704,969

Capital Expenditure 2015/16			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Upgrading of Marapong Water Supply System	2000000	0	
Mokuruenyane RWS Shongoane water Scheme	4265775	8804836.	
Witpoort RWS Seleka water Scheme	3291100	5406426.	
Thabo Mbeki water network	1615500	0	
WATER INFRASTRUCTURE GRANTS	12000000	840000	
Office furniture	15000	0	

Capital Expenditure 2015/16				
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 Lephale-Marapong, Onverwacht, Town	70	2 500 000	3 500 000	1000 000
2x LDV's	100	400000	400 000	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

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 Lephale 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 Lephale 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	2014/15	2015/16			
	Employee es	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3	1	2	2	0	0%
4 – 6	2	7	7	0	0%
7 – 9	9	6	3	3	50%
10 – 12	-	-			
13 – 14	9	29	28	1	3%
16 – 18	14	-	-	-	-
19 – 20	-	-	-	-	-
Total	35	44	40	4	9%
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2015/16 : Sanitation Services					
R'000					
	2014/15	2015/16			
			Adjustment Budget	Actual	Variance Budget to
Total Operational	29,743,104	31,581,194	34,280,547	29,745,727	4,534,820
Expenditure:					
Employees	8,381,146	9,175,175	9,510,575	10,684,437	-1,173,862
Repairs and	4,435,268	3,863,351	3,610,396	3,862,101	-251,705
Other	10,380,844	5,530,905	6,401,948	6,926,571	-524,623
Total Operational	23,197,258	18,569,431	19,522,919	21,473,109	-1,950,190
Net Operational	6,545,846	13,011,763	14,757,628	8,272,618	6,485,010

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	180	180	66	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	9	12	12	12

Sources: APR 2016

Capital Expenditure 2015/16			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Thabo Mbeki sewer network sanitation	1275230	0	1217937
To replace the two pipelines from Pump Station no: 1 to Paarl WWTW.	2000000	2912550	50000
Re-engineering Sewer Networks - own funding roll-over	125328	0	125328

Sources: APR 2016

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	13.6	15	10.63	20	15	14
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

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_401	Percentage households with access to basic level of electricity	92	90	94	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: APR 2016

Employees: Electricity Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3	1	3	3	0	0%
4 – 6	5	16	15	1	6%
7 – 9	15	4	4	0	0%
10 – 12	1	1	1	0	0%
13 – 14	11	25	24	1	4%
16 – 18	12	-	-	-	-
19 – 20	-	-	-	-	-
Total	45	49	47	2	4%
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2015/16: Electricity Services R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget to
Total Operational Revenue (excluding tariffs)	167,449,795	164,511,084	180,617,930	188,910,044	-8,292,114
Expenditure:					
Employees	11,789,929	14,019,766	14,121,855	14,600,806	-478,951
Repairs and Maintenance	2,027,856	2,261,797	2,789,200	3,128,094	-338,894
Other	109,428,480	116,190,371	114,959,779	129,880,546	-14,920,767
Total Operational Expenditure	123,246,265	132,471,934	131,870,834	147,609,446	-15,738,612
Net Operational (Service) Expenditure	44,203,530	32,039,150	48,747,096	41,300,598	7,446,498

Capital Expenditure 2015/16			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Truck base cherry picker	150000	0	15000
Testing equipment	170000	0	170000
Testing equip MvLv	2000000	0	200000
Over Head Line	3000	3000	0
Gazebo	1500000	0	150000
Infrastructure Master plan	1500000	0	150000
2. Upgrading/ Replacement of vehicle Testing Equipment at the Testing ground	2500000	0	2500000

Sources: APR 2016

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 2015/16				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
1X LDVs Bakkie	100	200000	200 000	0
Back-up generator	100	500 000	500 000	0
1X 630KVA Mini-sub	100	334 318	350 000	15 682
1X 800 KVA Mini-sub	100	349 395	530 000	180 605

Sources: APR 2016

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	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	1	1	1	0	0%
4 - 6	1	3	3	0	0%
7 - 9	2				
10 - 12	10	11	9	2	18%
13 - 14	-	40	34	6	15%
15-18	37	-	-	-	-
19-20	-	-	-	-	-
Total	51	55	47	8	15%
Employees and Posts numbers are as at 30 June 2016.					

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	19942	19942	19942	19942	19942

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_402	Percentage households with access to basic level of solid waste removal	83	70	83	85	90	90
Protect the environment and improve community well-being	M_708	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system and community contractors	0	5	5	10	15	20
Protect the environment and improve community well-being	M_709	Number of Integrated Waste Management Plans reviewed	0	1	1	1	1	1

Sources: APR 2016

Employees: Waste Disposal and Other Services(Environmental)					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	-				
4 - 6	-				
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	-	3	3	0	0%
16-18	2				
19-20	-				
Total	6	7	7	0	0%
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2015/16: Waste Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget to
Total Operational Revenue (excluding tariffs)	24,133,000	24,963,949	24,963,949	25,266,207	-302,258
Expenditure:					
Employees	10,221,049	10,411,139	11,336,907	11,714,279	-377,372
Repairs and Maintenance	1,199,000	759,912	540,000	1,685,928	-1,145,928
Other	3,895,012	3,831,928	2,839,662	4,010,668	-1,171,006
Total Operational Expenditure	15,315,061	15,002,979	14,716,569	17,410,875	-2,694,306
Net Operational (Service) Expenditure	8,817,939	9,960,970	10,247,380	7,855,332	2,392,048

Capital Expenditure 2015/16			
Project	Annual Budget	Actual Expenditure	Variance from Annual Budget
Lawn mower	60000	R 59 550	450
15x bullet vests	80000	None	8000
Purchasing of 35 cones for traffic officers	5000	R 11 845.50	-6845
2X Silver line for four seater	10000	R 8 000.00	2000
1. Development of a new landfill site in town	5000000	0.00	50000
Refrigerator and Microwave	8000	R 5 980.00	2200
Office furniture	40000	Evaluation report	

Sources: APR 2016

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: APR 2016

Employees: Housing Services					
Job Level	2014/15	2015/16			
	Employee	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 – 3	1	1	0	1	100%
4 – 6	1	1	1	0	0%
7 – 9	3	3	3	0	0%
10 – 12	1	1	1	0	0%
13 – 14	0	-			0%
Total	6	6	5	1	17%
Employees and Posts numbers are as at 30 June 2016					

Financial Performance 2015/16: Housing Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget to
Total Operational Revenue (excluding					
Expenditure:					
Employees	2,108,566	2,331,139	2,353,107	2,047,232	305,875
Repairs and Maintenance	43,750	52,200	52,200	120,662	-68,462
Other	336,460	210,463	3,667,606	4,010,226	-342,620
Total Operational Expenditure	2,488,776	2,593,802	6,072,913	6,178,120	-105,207
Net Operational (Service)	-2,488,776	-2,593,802	-6,072,913	-6,178,120	105,207

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 revenue and financial management	M_638	Number of updated and credible indigents register in place	1	1	1	1	1	1
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	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		
		month with access to free basic sanitation						
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 per indigent policy) per month with access to free solid waste removal	100	100	100	100	100	100

Sources: APR 2016

The municipal indigent register has a total of 1470 indigents registered. The register was updated in the 2015-16 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.

3.7 ROADS

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 Grooteegeluk 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 these 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	38	38	38	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: APR 2016

Employees: Road Services and Storm Water					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		5	5	0	0%
4 - 6		2	1	1	50%
7 - 9		4	4	0	0%
10 - 12		10	9	1	10%
13 - 14		29	27	2	7%
Total		50	46	4	8%
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2014/15: Public works Services (Roads & Storm water services) R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	181,425	25,261,228	25,261,228	32,774,375	-7,513,147
Expenditure:					
Employees	7,884,729	8,597,947	8,806,247	9,178,278	-372,031
Repairs and Maintenance	3,321,889	4,021,000	4,924,000	3,280,976	1,643,024
Other	19,926,493	22,921,382	27,972,094	28,293,298	-321,204
Total Operational Expenditure	31,133,111	35,540,329	41,702,341	40,752,552	949,789
Net Operational (Service) Expenditure	-30,951,686	-10,279,101	-16,441,113	-7,978,177	-8,462,936

Employees: Road Services and Storm Water					
Job Level	2014/15	2015/16			
	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 2016.					

Capital Expenditure 2015/16				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Refurbishment of Shongoane stadium & Construction of access road to stadium	30%	6137310	6425600	288 290
Kauletsi access road		11003402.04	8418045	2 585 357
Ditlounge Access road	100	8901122.44	7793600.	1107522
Ga-Monyeki Access road		9718500	2140200	-7578300
Phase 5 of Onverwacht channel	100	6196711.	1200000	4996711
Construction of an asphalt road to Groothoek dumping		0	3000000	300000

Sources: APR 2016

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

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 via 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 line 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 border 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	4	4	4	4	4	4

Sources: APR 2016

Capital Expenditure 2015/16				
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: APR 2016

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: APR 2016

Employees: Planning Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	4	0	0%
4 - 6	7	6	5	1	17%
7 - 9	2	1	1	0	0%
10 - 12	-				
13 - 14	0	1	0	1	100%
Total	11	12	10	2	17%
Employees and Posts numbers are as at 30 June 2016. *.					

Financial Performance 2015/16 : Planning Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget to
Total Operational Revenue (excluding tariffs)	729,565	981,811	982,311	615,906	366,405
Expenditure:					
Employees	5,544,968	7,605,502	7,159,875	6,268,379	891,496
Repairs and Maintenance	6,842	26,200	5,000	8,334	-3,334
Other	527,656	606,538	346,410	395,831	-49,421
Total Operational Expenditure	6,079,466	8,238,240	7,511,285	6,672,544	838,741

Financial Performance 2015/16 : Planning Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Net Operational (Service) Expenditure	-5,349,901	-7,256,429	-6,528,974	-6,056,638	-472,336

Capital Expenditure 2015/16				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
MSIG	100	1. R134 200.00 2. R199 971.50 3. R134 879.87 4. R197 999.00 5. R29 180.92 Total Spent R696 231.79	930000	10 057
Safe continual – Construction phase – Furniture	10	0.00	200000	200 000
Electronic Record Management System - Phase 2 – (Items, Agenda, Minutes Resolutions) etc.	0	0.00	998000	998 000
Furniture and Equipment (Items listed individually in the Budget and IDP)	0	R76 503.63	85610	300 000

Sources: APR 2016

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	8733	1500	1932	850	1200	1 500
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) YTD	1378	1000	1385	1 500	1 500	1 500
Create a conducive environment for businesses to invest and prosper	M_695	Number of Public Private Partnerships established YTD	2	2	9	2	2	3
Create a conducive environment for businesses to invest and prosper	M_696	Number of meetings held with strategic partners YTD	2	11	23	10	10	10

Sources: APR 2016

Financial Performance 2015/16: LED Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	0	0	0	0	0
Expenditure:					
Employees	1,080,384	1,185,248	1,185,248	1,279,754	-94,506
Repairs and Maintenance	0				0
Other	961,008	1,546,893	1,586,971	832,484	754,487
Total Operational Expenditure	2,041,392	2,732,141	2,772,219	2,112,238	659,981
Net Operational (Service) Expenditure	- 2,041,392	-2,732,141	-2,772,219	-2,112,238	-659,981

Employees: Local Economic Development Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	1	1	0	1	100%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 14	0	1	0	1	100%
Total	2	3	1	2	67%
Employees and Posts numbers are as at 30 June 2016.					

Capital Expenditure 2014/15				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
GIS system	10	R 319 000	1000000	
Management of Informal Settlements over three years		0.00	2000000	
Concrete Palisade Wall at leased land(Exxaro lease agreement) for management of Informal Settlements	100	R0.00	2000000	
Hawker Stalls at Albert Street, Phase 1- paving of sites	100	486 483.20	1200000	
Furniture and Equipment (Items listed individually in the Budget and IDP)	10	R 9 118.86	75000	

Sources: APR 2016

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

ANNUAL REPORT : 1/7/2015 - 1/6/2016
FUNCTION : SOCIAL SERVICES
SUB FUNCTION : LIBRARY DIVISION

FUNCTIONS	DETAIL	2014/2015	201/16
LENDING SERVICES:-	It deals with the Library circulation materials borrowed by users.	Books: 22037	17177
		Periodicals: 88	16
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: 511	1032
PHOTOCOPIES:-	Users make photocopies out of Library materials and their private documents.	Copies made by customers: 39028	40002
FAXES:-	Users receive and send own documents.		
		Sent: 20 000	20004
		Received: 469	475
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: 6215	7065

FUNCTIONS	DETAIL	2013/14	2014/15
MEMBERSHIP:-	Library users apply for membership to loan Library materials.	New members: 488	326
		Renewals: 435	325
		Withdrawals: 559	447
		Current: 4158	8575
COLLECTION DEVELOPMENT:-	Library collection is acquired through purchase of new Library materials and donations from the community		
		Book purchased: 1086	10020
		Books & periodicals donated: 85	30
FREE SERVICES:-	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 Books are renewed after 2 weeks Books requested are reserved		
		Enquiries : 4809	5000
		Books renewed: 21397	17030
		Books reserved: 400	351
LIBRARY VISITS:-	Pre-Schools, Primary & High Schools pay visits at the Library on appointment	Primary visits: 2	3
		Pre-school visit: 1	2
	Library staff visit schools on Library promotion programmes	Pre-school visited by personnel: 15	1
	Students from local schools visit the Library for study purposes on daily basis	33795	18585

FUNCTIONS	DETAIL	2013/14	2014/15
LIBRARY VISITS CONTINUES...	Library visits by potential users	8945	1863
REMINDERS:-	Library patrons are reminded about the borrowed books to be returned and also about the payments of lost, damaged and late materials	Sent: 4045	7525
		Returned: 4000	7441
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 (DAC) 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	15 (fifteen) employees appointed by LLM	1 x Div. Manager 3 x Librarians 2 x Ass. Librarians 5 x Lib. Assistants 2 x Lib. Helpers 1x Library helper vacant 2 x Lib. Cleaners
	DAC Library in Shongoane	2 employees appointed by DAC	1 X Librarian 1 x Library Assistant

OBJECTIVES	IMPROVEMENTS PLANNED FOR NEXT YEAR: 2015/2016	CURRENT	TARGET
Library and Information Services	*To activate and configure SLIMS system at Marapong Library	SLIMS system is configured in Lephalale Library and Thabo Mbeki Libraries	Waiting for DAC IT to connect in 2017
	*Continue to provide information and literacy to the community at large	Employees try by all efforts to provide good service. Training of staff members to equip knowledge and skills with UKS-training is still continuing till 2017	To become a well-established and organised Library in the Limpopo Province

The key issues achieved for 2015/2016:

- Stock counting by the Department of Arts & Culture
- Earned 100% Provincial audit regarding capability and preservation of Library items.
- Managed to cover the target of all Library campaigns and Read for fun programmes for the financial year 2015/2016.

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	10	4	4	8

Sources: APR 2016

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 coastal 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_702	Number of environmental education programmes implemented YTD	7	4	15	4	4	4

Sources: APR 2016

Capital Expenditure 2015/16				
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: APR 2016

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 2015/16: Parks					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	50,584	230,000	130,000	94,571	35,429
Expenditure:					
Employees	6,513,030	7,989,105	7,508,757	8,035,203	-526,446
Repairs and Maintenance	322,210	389,500	216,000	320,319	-104,319
Other	1,401,453	4,476,985	737,549	894,965	-157,416

Total Operational Expenditure	8,236,693	12,855,590	8,462,306	9,250,487	-788,181
Net Operational (Service) Expenditure	-8,186,109	-12,625,590	-8,332,306	-9,155,916	823,610

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

There 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	14	16	14	14	16

Sources: APR 2016

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	26	170	640	170	170	170

Sources: APR 2016

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: APR 2016

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 2015/16, 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 9 meeting in the 2015/16 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	2	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

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_48	Number of Annual Performance Reports submitted to auditor general by August 30th	1	1	1	1	1	1
Responsible, accountable, effective and efficient corporate governance	M_208	Number of ward committees that are functional	11	12	12	12	13	13
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	2	3	3	3	3	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	96	0	36	0	0	0

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_659	Number of internal audit findings against the municipality YTD	46	20	45	20	15	10
Responsible, accountable, effective and efficient corporate governance	M_655	Number of ordinary Council meetings held YTD	10	4	9	4	4	4
Capacitate disadvantaged groups	M_322	Number of HIV/Aids campaigns held YTD	0	4	8	4	4	4
Capacitate disadvantaged groups	M_641	Number of special projects awareness campaigns held YTD	14	12	14	12	12	12

Sources: APR 2016

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: APR 2016

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	98	98	95	98	98	98
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)	8	10	9	10	10	10
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)	450.44	200	138	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
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	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		
		August)						
Enhance revenue and financial management	M_205	Debt coverage	1331	200	1881	200	200	200
Enhance revenue and financial management	M_285	Average number of days between closing of tender and adjudication	63	90	89	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	51	100	74.3	100	100	100
Enhance revenue and financial management	M_717	Percentage infrastructure capital budget spent YTD	73	100	64.7	100	100	100
Responsible, accountable, effective and efficient corporate governance	M_740	Number of audit findings against the municipality regarding financial statements	96	0	36	0	0	0

Sources: APR 2016

Employees: Financial Services					
Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	17%
4 - 6	9	12	11	1	8%
7 - 9	22	22	20	2	9%
10 - 12	7	9	4	5	56%
13 - 14	1	1	1	0	0%
Total	44	50	41	9	18%
Employees and Posts numbers are as at 30 June 2016.					

Financial Performance 2015/16: Financial Services					
R'000					
Details	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	19,877,411	20,562,213	18,342,104	20,706,781	-2,364,677
Expenditure:					
Employees	15,056,610	17,523,884	16,013,668	16,494,768	-481,100
Repairs and Maintenance	12,153,928	9,012,549	9,013,087	5,311,183	3,701,904
Other	19,796,455	22,800,293	15,578,965	19,607,267	-4,028,302
Total Operational Expenditure	47,006,993	49,336,726	40,605,720	41,413,218	-807,498
Net Operational (Service) Expenditure	-27,129,582	-28,774,513	-22,263,616	-20,706,437	-1,557,179

Sources: APR 2016

Capital Expenditure 2015/16				
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

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	1	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	26	30	26	30	30	30
Improve functionality, performance and professionalism	M_672	Employee Satisfaction rating	0	50	50	50	60	70
Improve functionality, performance and professionalism	M_673	Number of EAP policies developed and approved by Council	0	1	1	1	1	1
Improve functionality, performance and professionalism	M_678	Number of LLF meetings held YTD	7	10	10	10	10	10
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	11	10	10	0	0	0

Sources: APR 2016

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resource Division provides administration of employees personal 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	9	9	9	9	9	9

Sources APR 2016

Capital Expenditure 2015/16				
Project	% Actual Progress	YTD Expenditure	Annual Budget	Variance from Annual Budget
Electronic Billboard Study	100	199 999	200 000	0.01
Electronic Document Management (Phase 2)	100	197 999	200 000	3
Hardware	100	100 000	100 000	0
Server hardware and accessories	100	183 000	200 000	17 000
Erection of electronic billboard	100	190 000	200 000	10 000

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 unit and the risk committee were established and risks assessments conducted. The risk committee is chaired by external independent person. The unit is functional and annual risk registers are done for assessment on quarterly basis. A special emphasis was given to risk arising from the implementation of mSCOA

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	75%	100	100%	100	100	100
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 gazetted YTD	2	5	4	5	2	2

Sources: APR 2016

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

Sources: APR 2016

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. There is no a distinctive airport available in the municipality, however the air field belonging to SANDF is used by the local community. There are two magistrates' courts within the boundaries of the municipality, the Phalala district magistrates' court and Lephalale regional magistrates' court

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

Summary

The adjusted of the SDBIP 2015/16 resulted to 96 KPIs, of which 93 were measured and 3 zero weighted due to various reasons. The average overall performance calculated from the key performance indicators and projects is 3.45

For service delivery performance statistics the number of households used in this report is 29800 from the 2011 South African statistics, however it is acknowledged that since 2011 there is a change to higher number which was not counted. Based on the records for new installation on electrical connections the estimated total number of households is 34249.

The last quarter of 2015/16 financial year, standard operating procedures and management resolutions as well as recommendation by the Audit and Performance Committee were implemented.

KPI's Outcome	Status as at 30 June 2016
Over Achieved Indicators	16
Indicators exceeded the set targets	19
Indicators Achieved the set targets	47
Average Indicators	10
Zero rated Indicators	3
Not Achieved Indicators	1
Total Reported Indicators	96

The Overall SDBIP achievement is 3.45.

The outcome of the average performance in the institution shows a fair to good institutional performance as the percentage of capital expenditure is 64.7%, from the adjusted budget and the additional MIG funds which were allocated after the Municipality managed to spend 100% of the MIG allocation in the third quarter of the 2015/16 Financial Year.

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The detailed departmental scorecard follows

OFFICE OF THE MUNICIPAL MANAGER

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M 3 2 2	Number of HIV/Aids campaigns held YTD	PP	#	0	3	5	4	8	Three more campaigns were held in the fourth quarter.	None	None	4	8	4
KPA6: Good Governance and Public Participation\ Capacitate disadvantaged groups\ Special Projects	M 6 4 1	Number of special projects awareness campaigns held YTD	PP	#	12	9	10	12	14	Four special projects done in the last quarter	None	None	12	14	2
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit and Performance Committee	M 6 4 8	Number of Audit and Performance Committee reports submitted to Council YTD	IA	#	1	3	3	4	4	Audit and Performance Committee reports send to council	None	None	4	4	0
KPA6: Good	M	Number of	IA	#	45	0	29	0	7	From the	Remaining	Resolve all	0	7	7

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Audit and Performance Committee	652	audit findings against the municipality YTD					findings remain			96 audit queries 81 were resolved, 7 were not resolved and 8 were partially resolved.	queries can only resolved during preparation of AFS	the remaining queries during preparation of AFS			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M651	Number of Unqualified Performance Opinion	PMS	#	1	1	1	1	1	Auditing Predetermined objective received qualified Audit opinion	None	None	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M335	Number of media releases published YTD	Com	#	20	15	15	20	22	7 more media releases done in the last quarter	None	None	20	22	2
KPA6: Good Governance and Public	M3	Number of media briefings	Com	#	1	1	0	2	3	2 media briefing done in	None	None	2	3	1

Hierarchy (KPA\ Strategic Objective Programme) \	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	36	held YTD								the last quarter					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Communication	M — 6 5 4	Number social media platforms utilised for communication	Com	#	3	3	3	3	3	Face book, twitter and Instagram are social media platform used by municipality	None	None	3	3	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M — 2 6 2	Number of IDP Rep forums meetings successfully held YTD	IDP	#	4	3	3	4	4	4 IDP rep forum held in the 2015/16 financial year	None	None	4	4	0
KPA6: Good Governance and Public Participation\ Responsible,	M — 3 2 5	Number of IDP road shows successfully held YTD	IDP	#	3	N/A	N/A	3	2	Two road shows for rural villages were	None	None	3	2	-1

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
accountable, effective and efficient corporate governance\ Integrated Development Planning										combined in to one due logistical delays					
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M 6 5 7	MEC IDP credibility rating	IDP	%	100	N/A	N/A	100	100	The IDP is highly credible	None	None	100	100	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Integrated Development Planning	M 6 5 8	Number of Final IDP approved by Council by end May	IDP	#	1	N/A	N/A	1	1	IDP approved by 31 st of May 2016	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 0 6	Number of Final Annual Reports approved by Council	PMS	#	1	1	1	1	1	The Annual report was approved by council at the end of March 2016	None	None	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 0 9	Number of Draft Annual Reports tabled to Council	PMS	#	1	1	1	1	1	The Draft Annual Report was tabled to council on the 23 of January 2016	None	None	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M – 4 3	Number of final SDBIP approved by the Mayor within 28 days after the approval of budget and the IDP	PMS	#	1	N/A	N/A	1	1	The SDBIP was approved by Mayor on the 27 th June 2016	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
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 YTD	PMS	#	1	1	1	1	1	APR to be submitted to AG by 31 August 2016	None	None	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance Management	M-315	Number of quarterly performance assessments performed YTD	PMS	#	4	3	3	4	4	4 quarterly assessments were conducted	None	None	4	4	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Performance	M-44	Number of Section 72 (mid-year performance) reports submitted to MM by 25th of January and to	PMS	#	1	1	1	1	1	Mid- Year Performance Reports submitted to council on the 23 January a 2016	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Management		council by 31st January													
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Public Participation	M - 6 6 4	Number of public participation policies reviewed and approved by Council	PP	#	1	N/A	N/A	1	1	The Public Participation policy and strategy was reviewed	None	None	1	1	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Risk Management	M - 6 6 7	Percentage of risks that were identified for each quarter in the Risk Plan that were attended to successfully YTD	Risk	%	100	75	74	100	100	All risks identified were attended to and the mSCOA risks were identified and addressed	None	None	100	100	0
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Ward	M - 2 0 8	Number of ward committees that are functional	P P	#	12	12	12	12	12	All ward committees were functional	None	None	12	12	0

Hierarchy (KPA\ Strategic Objective\ Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Committees															

CORPORATE SUPPORT SERVICES:

Hierarchy (KPA\ Strategic Objective\ Programme)	I D	Indicator	Div	U O M	Base -line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Human Resource Management	M 4 0 4	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	HR	#	29	30	26	30	26	26 positions were filled out of the targeted 30 positions.	Two Executive Managers appointed 1st June 2016 however two vacancies were created as result of the appointments Other positions were re-advertised thus what	To prioritise the filling of the position at the 3 highest level of the structure	30	26	-4

Hierarchy (KPA\ Strategic Objective\ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
											causes the delays				
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Labour Relations and EAP	M 6 7 3	Number of EAP policies reviewed and approved by Council	HR	#	1	N/A	N/A	1	0	Policy has been processed in the LLF and would be approved in the next Council Meeting	LLF meetings to discuss policies were postponed several times during the year and thus leading to delays	Policy to be taken to the next council sitting	1	0	-1
KPA5: Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Occupational health and Safety	M 6 8 0	Number of OHS audits conducted annually	HR	#	1	1	1	1	1	One OHS Audit conducted	None	None	1	1	0
Transformation and Organisational Development\ Improve functionality, performance and professionalism\ Training and Development	M 2 1 2	Percentage municipality's budget actually spent on implementing its workplace skills plan	HR	%	1	1	0.96	1	1	100% spent on training on work skills development plan.	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective\ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ By-laws	M – 6 5 3	Number of by-laws reviewed, approved by Council, public participation concluded and submitted for vetting and gazetting YTD	Lgl	#	5	N/A	N/A	5	4	One by-law adopted by Council and 3 three by-law gazetted in march 2016	Two by-laws were referred back by Council for resubmission in the next Council meeting, due to some problems	The two by-laws to be corrected and re submitted to Council for adoption	5	4	-1
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ By-laws	M – 6 6 1	Number of litigation / labour cases against the municipality negotiated for settlement YTD / number of litigation cases against the municipality YTD as Percentage	Lgl	%	0	20	46	20	100	Seven legal matters were negotiated for settlement, but only one out of seven matters was settled	Negotiations takes too long to be finalised as they also depend on the co-operation of other parties in the matter	Fast track settlement negotiations	20	100	80
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate	M – 6 5 5	Number of ordinary Council meetings held YTD	Adm	#	10	3	6	4	9	Three ordinary Council meetings held for the quarter added to	None	None	4	9	5

Hierarchy (KPA\ Strategic Objective\ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
governance\ Governance and Administration										previous meetings making 9 meeting held YTD					
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	Adm	#	9	9	9	9	9	9 ICT policies are reviewed and submitted to council	None	None	9	9	0

DEVELOPMENT PLANNING:

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Building Plans Administration and Inspectorate	M 1 1 4	Percentage of building contraventions attended (submitted for legal action) within 6 weeks from detection	B CI	%	100	100	100	100	100	47 notices were detected and 47 notices were issued	None	None	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 7 5 9	Average turnaround time (6weeks) for assessmen t of building plans YTD	BCI	# w o r k i n g d a y s	30 worki ng days	30 working days	30 working days	30 working days	30 working days	147 building plans were received for assessment and all 147 were assessed within 30 working days	None	None	30 working days	30 working days	0

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 6 0 A	Average turnaround time (weeks) related to application s for special consent for other uses) from time of receipt until considerati on by EXCO YTD	L U	# w e e k s	14 week s	14 weeks	16 weeks	14 weeks	12 weeks	1. Delegate app: ✓ 32 applicatio ns were received and assessed on time 2. Non- delegated: ✓ 07 applicatio ns were received, assessed and awaiting for SPLUMA – Tribunal sittings.	None	None	14 weeks	16 weeks	2 weeks
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for	M 7 6 0 B	Average turnaround time (weeks) related to application s for subdivision and consolidati	L U	# w e e k s	14 week s	14 weeks	17 weeks	14 weeks	14 weeks	Non-delegated apps: ✓ 06 applicatio ns received, assessed, awaiting for the finalised	None	None	14 weeks	14 weeks	0

Hierarchy (KPA\ Strategic Objective Programme)	ID	Indicator	Div	UOM	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
development\ Land use		ons- other land use zones (Ordinance 15 of 1986) from time of receipt until consideration by EXCO YTD								prescripts of SPLUMA.					
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M-760C	Average turnaround time (weeks) related to applications for division (Ordinance 20 of 1986) from time of receipt until consideration by EXCO YTD	LU	# weeks	14 weeks	14 weeks	16 weeks	14 weeks	N/A	No application received.	None	None	14 weeks	N/A	N/A
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide	M-760	Average turnaround time (weeks) related to applications of land use (rezoning, for other uses) from	LU	# weeks	14 weeks	14 weeks	15 weeks	14 weeks	13 weeks	Non-delegated apps: ✓ 03 applications were received, assessed, awaiting	None	None	14 weeks	13 weeks	1 week

Hierarchy (KPA\ Strategic Objective \ Programme)	ID	Indicator	Div	UOM	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
adequate land for development\ Land use		time of receipt until consideratio n by EXCO YTD								for the SPLUMA- Tribunal sittings and prescripts.					
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 5 5	Average turnaround time (weeks) related to applicatio s of land use (for a township proposal approved by council)	LU	16 weeks	16 weeks	16 weeks	18 weeks	16 weeks	14 weeks	Non-delegated app: ✓ 01 applicatio n received from Ellisras Ext 232; report compiled and ready for District Tribunal.	None	None	16 weeks	14 weeks	2 weeks
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide	M 7 6 1	Average turnaround time (weeks) related to attend land use contraventi	LU	# weeks	6 weeks	6 weeks	6 weeks	6 weeks	4 weeks	Four notices were issued to date; b) in most instances, contraventions have been detected on-site inspections	None	None	6 weeks	4 weeks	2 week

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
adequate land for development\ Land use		ons YTD (notices/dir ectives issued)								conducted in favour of application properties resulting in directives requiring the payment of applicable penalties;					
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 3 3	Number of LUMS compiled, approved by Council and promulgate d	L U	#	0	N/A	N/A	1	0	Budget was allocated late to the Department, hence the procurement and Appointment was concluded by June 2016.	Delays in procurement processes for the compilation of the LUS.	Adherence to the inception report (project plan)	1	0	-1
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Land use	M 7 3 4	Number of SDF Reviewed and approved by Council	L U	#	0	N/A	N/A	1	0	Budget was allocated late to the Department, hence the procurement and Appointment was concluded by June 2016.	Delays in the procurement processes for the review of the Lephalale SDF and the compilation of the LSDF	Adherence to the Inception report (project plan).	1	0	-1

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Sustainable and Integrated Rural Development	M 7 0 7	Number of human settlement developme nt plans(housi ng Chapter) reviewed and approved by Council	H S		0	N/A	N/A	1	0	The Department tried to source funding internally and also from external stakeholders.	No funding	Source funding	1	0	-1
KPA1: Spatial Rationale\ Rational planning to bridge first and second economies and provide adequate land for development\ Sustainable and Integrated Rural Development	M 7 0 7	Number of human settlement developme nt plans(Informal settlement Upgrading Plan) reviewed and approved by Council 16/17	H S	#	0	N/A	N/A	1	N/A	Internal Management plan was developed and the following services were provided: 1. Provisi on of water, sanitati on and solar lights.	N/A	N/A	1	0	N/A

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M - 5 1	Number of jobs created through strategic partners (energy generation, new mines and other business proposals) YTD	LED	#	8785	1 000	1 669	1 500	1 932	Solar Energy Plant at Tomburke (65), Phahladira centre (175), Exxaro (55). TOTAL = 369 for Q4	None	None	1 500	1 932	432
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Job Creation	M - 6 8 8	Number of jobs created through municipal LED initiatives and capital projects (from municipal budget) YTD	LED	#	1 280	960	41	1 000	1385	EPWP #40, CWP #216, LED hawkers pavement #7, PMU #195. LLM - Electricity (114) ; Construction of RDP houses = 462 TOTAL = 927 Q4	None	None	1 000	1385	385

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M 6 9 5	Number of Public Private Partnership s established YTD	LED	#	1	1	1	2	9	Ferrum Iron Ore, LEDET - Tourism Graduate. Total = 2 Q 4	None	None	2	9	7
KPA4: Local Economic Development\ Create a conducive environment for businesses to invest and prosper\ Marketing and Branding	M 6 9 6	Number of meetings held with strategic partners YTD	LED	#	2	1	6	11	23	LED working group, LDF CWP- LRC meeting, Agri steerco meeting, LEDET - Libra, Mokuruanyane Rebone Bophelo Agric Primary project stakeholder meeting TOTAL 7 QRTR4	none	none	11	23	12

BUDGET AND TREASURY:

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M — 1 7	Number of Asset Verification conducted YTD	B& R	#	1	1	1	2	2	2 verification done by a service provider	None	None	2	2	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Asset Management	M — 6 3 0	Liquidity ratio (R-value assets / R-value liabilities as %)	B& R	%	200	200	207	200	572	Total Asset/ Liabilities which is 1402003/2 44784	None	None	200	572	372

Hierarchy (KPA/ Strategic Objective Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
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	B& R	#	4	3	3	4	4	The report to be submitted to admin for the Agenda of the council meeting scheduled for end of August	None	None	4	4	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M 756	Number of quarterly financial statements prepared and submitted to Audit and Performance Committee	B& R	#	0	1	1	2	2	The AFS to be submitted to Audit and Performance Committee on the 23rd. of August 2016	None	None	2	2	0
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	B& R	#	1	N/A	N/A	N/A	N/A	The AFS are being prepared for submission by end of August.	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
		August)													
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Budget and Reporting	M - 3 9 7	Percentage Cost coverage (R-value all cash at a particular time plus R-value investments, divided by R-value monthly fixed operating expenditure	B& R	%	646.4 4	200	328	200	138	Cash at a particular =50132 937 divided by fixed operating expenditure of 36 090516= 138%	None	None	200	138	-62
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Expenditure Management	M - 2 0 5	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	Exp	%	1367	200	1315	200	1881	Debt coverage is sound	None	None	200	1881	1681

Hierarchy (KPA\ Strategic Objective \ Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
		within financial year)													
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	Exp	%	74.61	70	45.93	100	64,75	We spend well on MIG funding but did not do well on own funding	None	None	100	64,75	-35.25
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 in a Financial year	Rev	#	1	N/A	N/A	1	1	Indigent register updated	None	None	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	Rev	%	100	100	100	100	100	All registered indigents get free basic water	None	None	100	100	0

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
		policy) per month with access to free basic water													
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M 7 5 2	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic sanitation	Rev	%	100	100	100	100	100	All registered indigents get free basic sanitation	None	None	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M 7 5 3	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free basic electricity	Rev	%	100	100	100	100	100	All registered indigents get free basic electricity	None	Indigent register	100	100	0

Hierarchy (KPA\ Strategic Objective \ Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Free Basic Services	M 7 5 4	Percentage (registered) households earning less than R3 500 (as per indigent policy) per month with access to free solid waste removal	Rev	%	100	100	100	100	100	All registered indigents get free basic refuse removal	None	Indigent register	100	100	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M 3 3	Percentage debtors collection rate YTD	Rev	%	96.87	95%	95%	95%	99%	320 million billed and 298 million collected	None	None	98	99	1
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue	M 3 9 6	Percentage outstanding service debtors to revenue (R-value total outstanding	Rev	%	33.62	10	12	10	9	Target Achieved	None	None	10	9	1

Hierarchy (KPA\ Strategic Objective\ Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Management		g current service debtors divided by R-value annual revenue actually received for services)													
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M 6 3 7	Number of credit control policies reviewed and approved by Council	Rev	#	1	N/A	N/A	1	1	All credit control Policies are reviewed and approved by council	None	None	1	1	0
KPA3: Financial Viability and Financial Management\ Enhance revenue and financial management\ Revenue Management	M 6 3 6	Number of awareness programmes on payment for services	Rev	#	1	1	0	1	0	No awareness campaign done	Could not secure time on political schedule	Incorporate the campaign in the IDP budget road show	1	0	-1
KPA6: Good Governance and Public	M 6	Number of Unqualified Audit	CFO	#	1	N/A	N/A	1	1	The previous AFs	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective \ Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	50	Opinion received from AG								received unqualified Audit opinion					
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	SCM		#	90	87.57	90	89days	Tenders are adjudicated within 89days of closing of the tender	None	None	90 days	89days	1 day
KPA6: Good Governance and Public Participation\ Responsible, accountable, effective and efficient corporate governance\ Auditor General	M 740	Number of audit findings against the municipality regarding financial statements	CFO	#	45	0	27	0	7	From the 96 Audit finding 81 was resolved and 8 were partially resolved	None	None	0	7	-7

SOCIAL SERVICES:

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M 1 7 0	Number of trees planted per year, year to date (operational budget)	Pks	#	1541	0	0	1 122	1 412	0	During the adjustment budget the money was allocated for other activities	None	1 122	1 412	290
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Environmental Management	M 7 0 2	Number of environmental education programmes implemented YTD	Wst	#	4	3	14YTD	4	15	One Environmental Education conducted at Shongoane Tribal office	None	None	4	15	11
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve	M 3 6 0	Number of fire prevention awareness campaigns conducted YTD	Fre	#	21	9	13	14	16	3x fire prevention awareness campaigns were conducted	None	None	14	16	2

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
community well-being\ Fire Protection Services															
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Library Services	M 1 7 2	Number of library campaigns held YTD	Lib	#	4	6	7	8	10	3x library campaigns were conducted for this 4th quarter	None	None	8	10	2
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Registry	M 3 9 5	Average number of weeks turnaround time between application for learner license test until actually being tested	Reg	# w e e k s	3	3	2 weeks	3	1	Average turnaround time is one week	None	None	3	1	2

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M 7 0 3	Number of speed checks held YTD	Tra	#	80	127	532	170	640	54x Speed checks held for the 4th quarter	None	None	170	640	470
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Road Safety / Law Enforcement	M 7 0 4	Number of joint law enforcement operations with other law enforcement agencies undertaken YTD	Tra	#	4	3	6	4	5	1x joint law enforcement operation with other law enforcement for this 4th quarter.	None	None	4	5	1

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Safety and Security	M 7 0 6	Number of functional safety and security forums	Tra	#	3	4	4	4	6	The forums are active and fictional	None	None	4	6	2
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Thusong Centre	M 3 8 0	Number of LEASE Agreement signed at Thusong Centres YTD Cha	Thu	#	0	1	0	7	7	7 lease agreement are signed	None	None	7	7	0
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste	M 2 5 0	Number of urban household provided with weekly refuse removal	Wst	#	13652	19942	19 942	19 942	19 942	19 942 households receive weekly refuse removal	Number has increase	None	19 942	19 942	0

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Management															
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M — 4 0 2	Percentage households with access to basic level of solid waste removal	Wst	%	46	75	89,3	75	89,3	Refuse removal has extended to 5 rural villages	Funding to cover up the remaining villages	Request increment on equitable share	75	89,3	14,3
KPA2: Service Delivery and Infrastructure Development\ Protect the environment and improve community well-being\ Waste Management	M — 7 0 8	Number of rural villages with access to weekly refuse removal services through roll-on, roll-off system and community contractors	Wst	#	5	5	5	5	5	Five villages have access to weekly refuse removal services	None	None	5	5	0
KPA2: Service Delivery and Infrastructure	M — 7	Number of Integrated Waste	Wst		1	0	1	1	1	Integrated Waste Manageme	None	None	1	1	0

Hierarchy (KPA\ Strategic Objective Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance from Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Development\ Protect the environment and improve community well- being\ Waste Management	0 9	Manageme nt Plans reviewed								nt Plans was reviewed and implemente d					

INFRASTRUCTURE SERVICES:

Hierarchy (KPA\ Strategic Objective Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (Electricity – Maintenance and Upgrading)	M 7 1 0	Number of urban transformers upgraded YTD	Ele	#	3	N/A	N/A	3	3	Project completed	None	N/A	3	3	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 3 4 0	Percentage of Electrical losses	Ele	%	20	14	14	14	10.63	Spaza in progress to install new meters	Unchanged old meters	New meters to be installed	14	10.63	3.37
KPA2: Service Delivery and Infrastructure	M 4	Percentage household	Elec	%	87.5	90	95	90	96	Busy with Eskom new	SCM process challenges	SCM process to be fast	90	96	6

Hierarchy (KPA\ Strategic Objective \ Programme)	ID	Indicator	Div	UOM	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Electrical Network (New Infrastructure)	01	s with access to basic level of electricity								connections	at Eskom. The Municipality to advertise for appointment of Eskom contractors	tracked			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Infrastructure Planning	M757	Number of infrastructure master plans reviewed	PMU	#	0	N/A	N/A	1	0	Review on hold as LLM prioritised Technical report for village water extension	None	N/A	1	0	-1
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Energy Efficiency	M713	Number of energy efficiency audits conducted	Elec	#	0	N/A	N/A	1	0	Energy efficiency audit not conducted	Funding for the audit was inadequate	Source adequate funding	1	0	-1
KPA2: Service Delivery and	M	Number of by-laws	Elec	#	1	N/A	N/A	1	0	Transferred to legal	None	N/A	1	0	-1

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Energy Efficiency	714	pertaining to energy efficiency program reviewed and approved by Council								division					
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Fleet Management	M715	Number of fleet management policies reviewed and approved by Council	Elec	#	1	N/A	N/A	1	0	transferred to HR	None	N/A	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	M218	Number of villages in which access roads bladed	PW	#	40	29	29	38	38	None	None	None	38	38	0

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
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 – 2 2 6	Number of m2 roads resealed	P W	# m 2	6 395	N/A	N/A	7 000	0	Tender advertised Received did not comply with specification	None	Tender to be re-advertised in 2016/2017 FY	7 000	0	-7000
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 – 7 4	Number of kilometres of gravel roads upgraded to tar YTD	PWs	#	0	N/A	N/A	7.5Km	4 km	Ga-Monyeki access road in progress (3, 5 km). Kauletsi and Ditlounge access roads completed	The are no apparent challenges the projects were just brought forward by 8 months and 2 were completed on time and the remaining is on course and will be completed by end of first quarter in 2016/17 FY	Get the project complete before the second quarter of the financial year begins	7.5Km	4km	-3,5km

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M - 1 6 6	Number of new VIPs constructed YTD	San	#	46	200	66	300	66	The contractor left the site due to non-payment	The contractor left the site due to non-payment	As soon the contractor gets paid he will go back to site but there is no timeframe	300	66	-234
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Sanitation - New Infrastructure	M - 4 0 0	Percentage households with access to basic level of sanitation	San	%	94	95	95	95	95	None	None	None	95	95	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all	M - 7 5 8	Green drop risk rating (only tested bi-annually)	San	%	N/A	N/A	N/A	50	0	DWS did not conduct assessment this FY	None	DWS to conduct assessment	50	0	-50

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
municipal areas\ Waste Water Quality (Green Drop)															
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Waste Water Quality (Green Drop)	M 7 2 5	Number of general sampling of effluent conducted at waste water treatment plants	San	#	12	9	6	12	9	The service provider was appointed in the First quarter	The service provider was appointed in the First quarter	The appointment will be done on three months prior the new 2016/17 financial year	12	9	-3
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M 3 9 9	Percentage household s with access to basic level of water	Wtr	%	94	94	94	95	95	The village water extensions projects are still in progress. On completion they will show an increase of access	Inadequate budget.	Additional funding required to complete the scope of work identified during design phase	95	95	0

Hierarchy (KPA\ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base-line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water – Supply	M – 7 2 6	Number of surveys and feasibility studies for development of technical report and realistic funding requirements conducted	Wtr	#	0	N/A	N/A	4	4	The feasibility studies are done by Ferrum crescent (mine). To be completes end July 2016	None	N/A	4	4	0
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural services in all municipal areas\ Water loss (unaccounted water)	M – 8 1	Percentage of water losses YTD	Wtr	#	14	14	10	14	12.78	The water losses have decreased and that shows an improvement on the supply system	The billing figures exceeds the purchased volume of water per month	Meter readings to be recorded correctly	14	12.78	1.22
KPA2: Service Delivery and Infrastructure Development\ Provide quality and well maintained infrastructural	M – 7 2 8	Blue drop water quality standard rating	Wtr	%	92.8	92.8	92.8	92.8	0	Assessment of 2015/16 FY still in process	Poor quality of water in rural villages	Budget needed to install water purification systems	92.8	0	-92.8

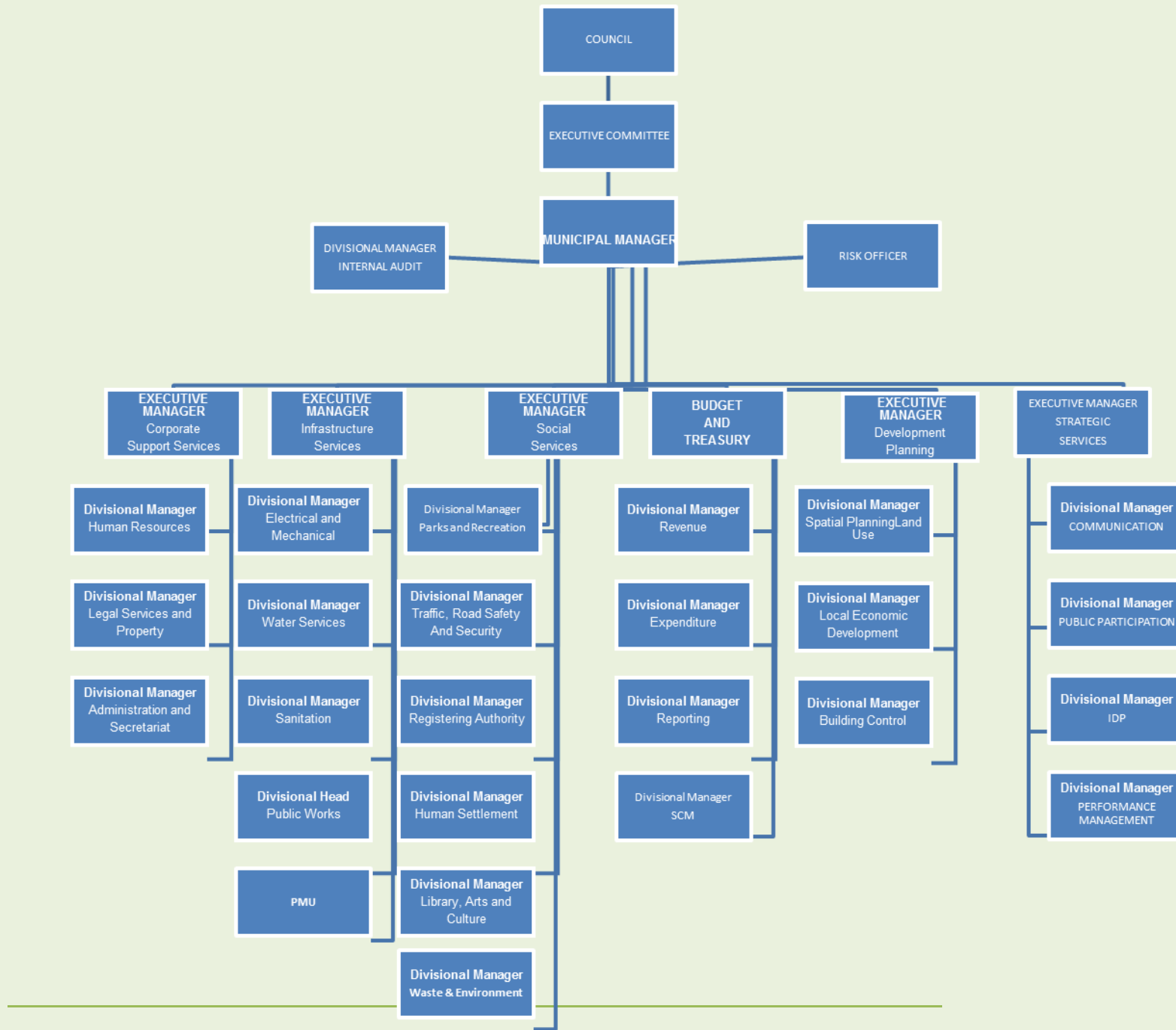
Hierarchy (KPA/ Strategic Objective \ Programme)	I D	Indicator	Div	U O M	Base- line	Qtr. 3		Qtr. 4					Annual Target 2015/16	Annual Actual	Variance From Annual Target
						Target	Actual	Target	Actual	Actual Notes	Challenges	Corrective Action			
services in all municipal areas\ Water Quality (Blue Drop)															

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	2014/15	2015/16			
	Employees No.	Approved Posts No.	Employees No.	Variance No.	Variance %
Water	44	52	44	8	15%
Waste Water (Sanitation)	34	43	39	4	9%
Electricity	44	48	46	2	4%
Waste Management	56	61	53	8	13%
Housing	5	5	5	0	0%
Waste Water (Storm water Drainage)					
Roads	45	48	44	4	8%
Transport					
Planning	8	11	9	2	18%
Local Economic Development	1	2	1	1	50%
Planning (Strategic & Regulatory)	28	33	27	6	18%
Local Economic Development					
Community & Social Services	18	21	20	1	5%
Environmental Protection					
Health					
Security and Safety	42	46	42	4	9%
Sport and Recreation	42	52	50	2	4%
Corporate Policy Offices and Other	90	103	94	9	9%
Totals	457	525	474	51	10%
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 2016.					

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 the position of CFO which became vacant after resignation.

Department	Number of Positions 14/15						
	Management	Technical	Labour	Support	Total	Vacant	%Vacant
Infrastructure Services	6	57	127	8	198	19	10%
Social Services	6	4	115	61	186	16	9%
Corporate Support Services	4	3	17	20	44	1	2%
Budget and Treasury	5	0	1	44	50	8	16%
Planning and Development	5	10	0	8	23	5	22%
Office of Municipal Manager	7	0	2	15	24	2	8%
Total Positions	33	74	262	156	525	51	10%

Vacancy Rate 2015/16			
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		
CFO	1	4 Months	
Other S57 Managers (excluding Finance Posts)	4		
Other S57 Managers (Finance posts)			
Municipal Police	10	40 Months	
Fire fighters	9	28 Months	
Senior management: Levels 13-15 (excluding Finance Posts)	56	79 Months	
Senior management: Levels 13-15 (Finance posts)	12	24 Months	
Highly skilled supervision: levels 9-12 (excluding Finance posts)	109	36 Months	
Highly skilled supervision: levels 9-12 (Finance posts)	25	36 Months	
Total	227	247 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 CFO has been vacant for more than three months

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Death 2, Resignation 4, Pension 7 and end of contract 4	457	17	3.7%
* 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 amended at Bargaining Council from time to time.
11	HIV/Aids	100%		A/278/2003

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
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%		2016
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		2016
32	PPE	100%		2014
33	SHE Policy	100%		2015
34	Overtime Policy	100%		2015
35	EAP Policy	100%		Draft policy Not yet adopted by Council

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
36	Sports and recreation policy	100%		Draft policy Not yet adopted by Council

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	79	5	%	16	
Temporary total disablement	0	0	0	0	
Permanent disablement	0	0	0	0	
Fatal					
Total	79	45	%	16	

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
L1-L14	3756	10	425	474	7.9	
Total						
* - 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	Employee 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 employer & employee representatives are supposed to submit their mitigating & aggravating factors and then the chairperson will issue the outcome.	Not yet finalised
2. Manager: Water Services	Employee signed a take-over certificate for the Marapong 8.5 ML Reservoir whilst it was unfinished, un-operational and not functional. R 818 452.02	23/12/2013	The employer & employee representatives are supposed to submit their mitigating & aggravating factors and then the chairperson will issue the outcome.	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	Awaiting for date from Labour Court	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	Awaiting date from Labour Court	Not yet finalised
5. Manager: Sanitation	Employee was charged with misconduct in that he on or about 06 May 2016 disclosed privileged/confidential information without permission. He was charged with misconduct in that he on or about March 2016 impugned the	27/05/2016	The case has started and the employer is left with one witness to conclude its case. Then Mr Leseka will start his case in response of the allegations. The matter has been postponed 10 & 11 January 2016.	Not yet finalised

	name of the municipality by allowing sewer to flow without being attended. He was charged with misconduct in that he on or about 19 February 2016 and 11 March 2016 caused the community to suffer from overflowing sewer. He was charged with misconduct in that you on or about 17 March 2016, failed to carry lawful instruction from your Executive Manager: Infrastructure Services.			
6.Sewerage Maintenance Controller	Charged with assault, intimidation & use of abusive language.	07/10/2016	Disciplinary Hearing scheduled on 19 December 2016.	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
7.Mr MS Langa	He was charged with an act of misconduct of negligence in that he failed to ensure that all	Yes	Finalised

	<p>conditions and procedures applicable to the application of section 32 are compiled with:</p> <p>Failing to provide evidence that the adoption of section 32 was duly approved by the Acting Municipal Manager.</p> <p>Failing to involve the division in the appointment process of Big Time Strategic Consultants as the Co end –users.</p> <p>Failing to thoroughly assess and evaluate the documentation received from Moses Kotane Municipality.</p> <p>Failing to ensure that fruitless, irregular and wasteful expenditure is minimized and avoided in the municipality.</p> <p>Failure to ensure that the entire scope of work was performed by Big Time Strategic Consultants prior to the processing of payment and</p> <p>Failing to take corrective actions as indicated in the report prepared by Big Time Consultants were appointed on emergency basis.</p>		
8.Ms TL Moabi	<p>She was charged with an act of misconduct for taking instruction of performing duties and responsibilities beyond your core roles.</p>	Yes	Finalised

4.4 PERFORMANCE REWARDS

Performance Evaluations for 2014/15 were conducted on 8th June 2016 and the result of the evaluations is as summarized here below.

1. EVALUATION OUTCOMES

Regulation 805, section 32 states the following in this regard:

- (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%.
- (3) In the case of unacceptable performance, the employer shall –
- (a) provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
 - (b) After appropriate performance counselling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the employee on grounds of unfitness or incapacity to carry out his or her duties.

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 rating scales set out in the Performance Agreements:

% Rating Over	% 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	OVERALL SCORE	APPLICABLE % BONUS
Ms EM TUKAKGOMO	Executive Manager Development Planning	134,20	6%
Mr K L TLHAKO	Executive Manager Infrastructure Services	130,18	5%
Mr LS THOBANE	Executive Manager Social Services	131,98	5%

The percentage that Executive Managers qualifies for as a bonus is calculated against their total remuneration package for the financial 2014-15.

2. CONSLUSION

The Lephalale Local Municipality has successfully conducted the Annual Individual Performance Evaluations for the financial years of 2014/15 and the summary scorecard of results follow in the Annexures below:

The result of the calculations concludes that Executive Mangers Social Services, Mr LS THOBANE, Executive Manager Infrastructure Services, Mr KL TLHAKO qualified for 5% bonus and the Former Executive Manager Development Planning who is now a Municipal Manager, Ms EM TUKAKGOMO, qualified for 6% bonus,

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	N/A	0	0	
	Male	N/A	0	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	1	6%	0
	Male	4	2	2x 5%	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 2015	Number of skilled employees required and actual as at 30 June 2016											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target	Actual 30 June 2015	Actual 30 June 2016	Target
MM and S57	Female	02	00	01	00	02	01	02	01	02	01	00	02	02
	Male	03	00	00	00	01	01	04	03	04	06	00	03	03
Councillors, senior officials and managers	Female	21	01	03	01	07	10	17	07	09	10	10	21	21
	Male	24	01	03	01	09	09	20	09	11	04	04	24	24
Technicians and associate professionals	Female	06	00	01	00	02	08	13	03	06	08	04	06	06
	Male	44	00	01	00	14	14	20	08	12	14	18	44	44
Professionals	Female	15	01	01	01	01	01	07	04	10	10	03	23	20
	Male	42	07	05	07	03	03	16	06	15	08	08	57	52
Sub total	Female	44	02	05	02	12	20	39	15	27	00	17	52	49
	Male	113	08	05	08	27	27	60	26	42	00	30	130	123
Total		157	10	10	10	39	47	99	41	69	10	47	182	172

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	1	1	1	1	1
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	3	3	3	3	3	3
<i>Any other financial officials</i>	35	37	35	34	37	34
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>		0		0	0	0
<i>Supply chain management senior managers</i>	1	1	1	1	1	1
TOTAL	40	42	40	39	42	39
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

One (1) Executive Managers, and Three Managers are been registered for 2015/16 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	1	1	0	0	2	2	2	R62394.00
	Male	3			0	0	4	4	4	R28750.00
Legislators, senior officials and managers	Female	19	3	3		1	1	1	5	R14934.00
	Male	24	4	4		1	2	2	4	R66174.02
Professionals	Female	19	2	2	1	1	2	2	2	R51181.86
	Male	57		1		4	6	6	6	R63118.00
Technicians and associate professionals	Female	06		0		2	1	1	2	R44516.00
	Male	44		0		5	8	8	10	R89939.15
Clerks	Female	65	3	3	2	4	7	7	15	R94511.80
	Male	39	5	5	2	2	4	4	4	R588790.
Service and sales workers	Female	3			1	2			3	R12624.00
	Male	15			2	8			10	R28722.00
Plant and machine operators and assemblers	Female	5					1	1	5	R3350.00
	Male	38				6	2	2	20	R27817.00
Elementary occupations	Female	58					2	2	11	R7870.00
	Male	122				3	2	2	30	R34540.00
Sub total	Female	175								
	Male	323								

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		498							120000 0.00	R 1 291 304.01
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1,27%*	*R902 139. 12
% and *R value of municipal salaries (original budget) allocated for workplace skills plan. 1%*										
R 442 320. 00 has been used to train in-house OHS: Supervisory, Safety for Supervisors, HIRA and working at heights										
The amount exceeded original budget because of Mandatory allocated by LGSETA of R 144 000.00 for training purpose.										

No positions were upgraded in the financial year 2015/16 financial year.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	00
	Male	00
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 C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
<u>Revenue By Source</u>								
Property rates		44,152	48,381	47,966	46,593	47,966	(1,373)	-3%
Property rates - penalties & collection charges							–	
Service charges - electricity revenue		128,985	128,321	136,905	154,477	136,905	17,572	13%
Service charges - water revenue		30,443	35,272	33,372	32,374	33,372	(998)	-3%
Service charges - sanitation revenue		14,636	15,868	15,882	14,731	15,882	(1,151)	-7%
Service charges - refuse revenue		9,894	10,605	10,605	10,736	10,605	131	1%
Service charges - other							–	
Rental of facilities and equipment		195	270	270	221	270	(49)	-18%
Interest earned - external investments		5,506	7,783	3,515	3,631	3,515	116	3%
Interest earned - outstanding debtors		19,505	19,878	19,878	16,343	19,878	(3,535)	-18%
Dividends received							–	
Fines		344	364	347	882	347	536	154%
Licenses and permits		6,204	8,260	8,260	7,472	8,260	(788)	-10%
Agency services							–	
Transfers recognised - operational		98,515	106,721	106,721	106,088	106,721	(633)	-1%
Other revenue		3,081	15,399	17,755	573	17,755	(17,182)	-97%

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

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Gains on disposal of PPE		119,304					–	
Total Revenue (excluding capital transfers and contributions)		480,763	397,121	401,477	394,122	401,477	(7,355)	-2%
<u>Expenditure By Type</u>								
Employee related costs		127,368	148,331	148,989	149,879	147,339	2,540	2%
Remuneration of councilors		8,150	7,584	8,178	8,923	8,178	745	9%
Debt impairment		3,244	1,650	3,500	15,247	3,500	11,747	336%
Depreciation & asset impairment		63,290	60,158	68,659	70,492	68,659	1,833	3%
Finance charges		15,593	11,591	11,591	17,028	11,591	5,437	47%
Bulk purchases		102,993	111,892	113,892	128,172	113,892	14,280	13%
Other materials							–	
Contracted services		14,648	18,487	11,217	24,556	11,217	13,339	119%
Transfers and grants		1,474	1,234	1,234	1,774	1,234	540	44%
Other expenditure		82,130	76,424	87,781	88,247	89,431	(1,184)	-1%
Loss on disposal of PPE		9,306			2		2	
Total Expenditure		428,196	437,351	455,041	504,320	455,041	49,280	11%
Surplus/(Deficit)		52,568	(40,230)	(53,564)	(110,198)	(53,564)	(56,634)	0
Transfers recognised - capital		38,009	48,154	55,814	58,290	55,814	2,476	0
Contributions recognised - capital					–		–	
Contributed assets							–	
Surplus/(Deficit) after capital transfers & contributions		90,577	7,924	2,250	(51,909)	2,250		
Taxation							–	
Surplus/(Deficit) after taxation		90,577	7,924	2,250	(51,909)	2,250		
Attributable to minorities								
Surplus/(Deficit) attributable to municipality		90,577	7,924	2,250	(51,909)	2,250		
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year		90,577	7,924	2,250	(51,909)	2,250		

5.2 GRANTS

GRANTS PERFORMANCE

LIM362 Lephalale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
RECEIPTS:	1,2							
-								
<u>Operating Transfers and Grants</u>								
National Government:		100,434	118,126	118,126	118,126	118,126	-	
Local Government Equitable Share		86,865	87,409	87,409	87,409	87,409	-	
Finance Management		1,600	1,600	1,600	1,600	1,600		
Municipal Systems Improvement		934	930	930	930	930		
Water Services Operating Subsidy		10,000	15,000	15,000	15,000	15,000		
EPWP Incentive		1,035	1,187	1,187	1,187	1,187		
	3						-	
Municipal Water Infrastructure Grants			12,000	12,000	12,000	12,000	-	
Provincial Government:		-	-	-	-	-	-	
Other transfers and grants [insert description]							-	
District Municipality:		-	-	-	-	-	-	
[insert description]							-	
Other grant providers:		-	-	-	-	-	-	
							-	
Total Operating Transfers and Grants	5						-	

LIM362 Lephalale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description R thousands	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
		100,434	118,126	118,126	118,126	118,126		
<u>Capital Transfers and Grants</u>								
National Government:		28,992	36,750	36,750	71,750	71,750	–	
Municipal Infrastructure Grant (MIG) Regional Bulk Infrastructure		28,992	36,750	36,750	71,750	71,750	–	
EXXARO & DME							–	
Provincial Government:		–	–	–	–	–	–	
<i>[insert description]</i>							–	
District Municipality:		–	–	–	–	–	–	
<i>[insert description]</i>							–	
Other grant providers:		4,000	–	–	–	–	–	
DME		4,000					–	
Total Capital Transfers and Grants	5	32,992	36,750	36,750	71,750	71,750	–	
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	133,426	154,876	154,876	189,876	189,876	–	

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The total expenditure on MIG fund was 100%.in the 2015/16 financial, No roll overs on MIG Projects

The other grants received were spent. MSIG, MWIG. A Total of R154 876 received and was adjusted to R189 876 which was all spent.

5.3 ASSET MANAGEMENT

Lephalale municipality has an audited asset register for the financial 2015/16 the asset management unit is reviewing and updating the register as assets after acquired, completed or purchased.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16				
Asset 1				
Name	Kauletsi Access Road			
Description	Construction of Kauletsi access road			
Asset Type	Immovable			
Key Staff Involved	Public Works			
Staff Responsibilities				
Asset Value	2012/13	2013/14	2014/15	2015/16
				R 9 281 072
Capital Implications	Improve roads service delivery to the community			
Future Purpose of Asset	Improve roads service delivery to the community and future use			
Describe Key Issues				
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			
Asset 2				
Name	Ditlounge Access Road			
Description	Construction of Ditlounge access road			
Asset Type	Immovable			
Key Staff Involved	Public Works			
Staff Responsibilities				
Asset Value	2012/13	2013/14	2014/15	2015/16
				R 10 016 544
Capital Implications				
Future Purpose of Asset	Improve roads service delivery to the community			
Describe Key Issues	Improve roads service delivery to the community and future use			

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2015/16				
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			
Asset 3				
Name	Refurbishment of Witpoort Seleka RWS Phase 2			
Description	Installation of water reticulation and storage in rural village			
Asset Type	Immovable			
Key Staff Involved				
Staff Responsibilities				
Asset Value	2012/13	2013/14	2014/15	2015/16
				R 8 771 857
Capital Implications				
Future Purpose of Asset	Improve water service delivery to the community			
Describe Key Issues	Improve water service delivery to the community in the villages			
Policies in Place to Manage Asset	This project is managed by Infrastructure Directorate			

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	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1							
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>								
-								
<u>Infrastructure</u>		13,368	12,847	14,297	14,861	14,297	(564)	-3.9%
Infrastructure - Road transport		3,322	4,021	4,921	3,281	4,921	1,640	33.3%
<i>Roads, Pavements & Bridges</i>		3,322	4,021	4,921	3,281	4,921	1,640	33.3%
<i>Storm water</i>							-	
Infrastructure - Electricity		2,028	2,262	2,789	3,128	2,789	(339)	-12.2%
<i>Generation</i>							-	
<i>Transmission & Reticulation</i>		2,028	2,262	2,789	3,128	2,789	(339)	-12.2%
<i>Street Lighting</i>							-	
Infrastructure - Water		2,311	1,941	2,436	2,904	2,436	(468)	-19.2%
<i>Dams & Reservoirs</i>							-	

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

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1							
<i>Water purification</i>							–	-19.2%
<i>Reticulation</i>		2,311	1,941	2,436	2,904	2,436	(468)	-7.0%
Infrastructure - Sanitation		4,435	3,863	3,611	3,862	3,611	(251)	-7.0%
<i>Reticulation</i>		4,435	3,863	3,611	3,862	3,611	(251)	
<i>Sewerage purification</i>							–	-212.3%
Infrastructure - Other		1,272	760	540	1,686	540	(1,146)	-212.3%
<i>Waste Management</i>		1,272	760	540	1,686	540	(1,146)	
<i>Transportation</i>							–	
<i>Gas</i>							–	
<i>Other</i>							–	
Community		354	444	236	340	236	(104)	-43.9%
Parks & gardens		322	356	216	320	216	(104)	-48.3%
Sports fields & stadia							–	
Swimming pools							–	
Community halls							–	
Libraries		31	54	20	20	20	1	3.3%
Cemeteries			34	–	–	–	–	
Social rental housing				–			–	
Other				–			–	
Heritage assets		–	–	–	–	–	–	
Buildings							–	
Other							–	
Investment properties		–	–	–	–	–	–	
Housing development							–	
Other							–	
Other assets		13,541	9,516	9,339	6,266	9,339	3,073	32.9%
General vehicles							–	
Specialised vehicles		–	–	–	–	–	–	
Surplus Assets - (Investment or Inventory)							–	
Other		13,541	9,516	9,339	6,266	9,339	3,073	32.9%
Agricultural assets							–	

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

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1							
		-	-	-	-	-		
<i>List sub-class</i>							-	
Biological assets		-	-	-	-	-	-	
<i>List sub-class</i>							-	
Intangibles		-	-	-	-	-	-	
Computers - software & programming							-	
Other							-	
Total Repairs and Maintenance Expenditure		27,263	22,807	23,872	21,467	23,872	2,405	10.1%

Specialised vehicles		-	-	-	-	-	-	
Refuse							-	
Fire							-	
Conservancy							-	
Ambulances							-	

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

94% of budget on repairs and maintenance was spent.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

	2014/15	2015/16
Liquidity Ratios		
Current Ratio	3:1	2:1
Acid Test Ratio	3:1	2:1
Debtors Collection Period	94 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

COMMENT ON SOURCES OF FUNDING:

The spending on capital projects has slightly declined from 74, 6 % expenditure on total capital projects in 2014/15 to 69% in 2015/16.

5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING:

The spending on capital projects has slightly declined from 69, 6 % expenditure on total capital projects in 2014/15 to 64,7% in 2015/16. The expenditure on MIG is 100% where by additional funding was granted and roll over projects are included in the current calculation on Capital Expenditure. Considering the inclusion of roll over projects and additional MIG funding makes the expenditure to be much better as compared to the previous year.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

	Capital Expenditure of 5 largest projects* R' 000					
Name of Project	Current Year				Variance Current Year	
	Original Budget (Vat Inc.)	Awarded Amount (Vat Inc.)	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Kauletsi Access Road	R 8 418 045.	R.		R9 896 404		
Ditlounge Access Road	R7 793 600			R 8 900 525		
Refurbishment of Shongoane Stadium & Construction of Access Road to Stadium	R 6 425 600			4 067 203		
B – Mokuruenyane/Shongoane RWS P4	R4 265 775	R14 855 757		R3 365 117		
C – Witpoort RWS and Seleka water scheme P4	R3 291 100	R8 556 389		R 2 509 098		
	R 30 194 120			R 28 738 348		
	* Projects with the highest capital expenditure in 2015/16					

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 100 % 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, 3 informal settlements and farms. Provision of basic infrastructure services remains a challenge. There 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.

Sanitation backlog of 5 %

Water backlog of 5 %

Electricity backlog of 4 %

Refuse Removal 11%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

LIM362 Lephalale - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2014/15	Budget Year 2015/16					
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties & collection charges		44,100	45,962	45,567	46,084	45,567	516	1%
Service charges		183,100	180,562	196,765	227,125	196,765	30,360	15%
Other revenue		216	39,327	38,619	1,870	38,619	(36,749)	-95%
Government - operating		136,907	106,721	106,721	106,088	106,721	(633)	-1%
Government - capital			48,154	55,814	83,789	55,814	27,975	50%
Interest		5,506	7,783	3,515	3,631	3,515	116	3%
Dividends							-	
Payments								
Suppliers and employees		(321,768)	(362,717)	(370,058)	(385,000)	(370,058)	14,943	-4%
Finance charges		(15,593)	(11,591)	(11,591)	(13,012)	(11,591)	1,421	-12%
Transfers and Grants		(1,474)	(1,234)	(1,234)	(1,774)	(1,234)	540	-44%
NET CASH FROM/(USED) OPERATING ACTIVITIES		30,993	52,966	64,119	68,800	64,119	(4,681)	-7%
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		(47,128)	(75,905)	(116,340)	(75,611)	(116,340)	(40,729)	35%
NET CASH FROM/(USED) INVESTING ACTIVITIES		(47,128)	(75,905)	(116,340)	(75,611)	(116,340)	(40,729)	35%
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								

LIM362 Lephalale - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2014/15	Budget Year 2015/16					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands	1							%
Short term loans							–	
Borrowing long term/refinancing		(2,980)					–	
Increase (decrease) in consumer deposits							–	
Payments								
Repayment of borrowing		(924)			(19,473)	0	19,473	1947278600%
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,904)	–	–	(19,473)	0	19,473	1947278600%
NET INCREASE/ (DECREASE) IN CASH HELD		(20,039)	(22,939)	(52,221)	(26,283)	(52,221)		
Cash/cash equivalents at beginning:		79,802	90,743	59,763	59,763	59,763		
Cash/cash equivalents at month/year end:		59,763	67,804	7,542	33,480	7,542		

COMMENT ON CASH FLOW OUTCOMES:

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

5.10 BORROWING AND INVESTMENTS
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 R 20 824 on 30 June 2016. 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.

	2014/15	2015/16
Long-term loans	R 96 102 251	R 88 621 440
Investments	R 22 887	R 20 824

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). Also with Waterberg Coal, Limpopo RAL, EXXARO and Boikarabelo mine.

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.

The accounting policies are attached with the audited financial statements as Volume II of this document.

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.

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 2014/15	
Status of audit report:	UNQUALIFIED
Non-compliance Issues	Remedial action taken
Assets Values(roads ownership)	Asset recording to started early
Material misstatements	Action plan established
Non-Compliance with legislative prescripts	All legislative deadlines to be met

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

6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor General Report on Financial Performance 2015/16	
Status of audit report:	UNQUALIFIED
Non-compliance Issues	Remedial action taken
UIF and compliance to legislation	Development of action plan to address the findings

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 LEPHALALE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Report on the financial statements

Introduction

1. I have audited the financial statements of the Lephalale Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

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 the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2015 (Act No.1 of 2015) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's 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 entity's 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 2016 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 42 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. Contingent liabilities have been disclosed for pending cases.

Restatement of corresponding figures

9. As disclosed in note 44 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Material underspending of the conditional grant

10. As disclosed in the note 15 to the financial statement , the municipality has materially underspent the conditional grant on department of water and forestry to the amount of R14 104 983

Material impairments

11. As disclosed in note 11 to the financial statements, the municipality made material impairments to the amount of R67 462 252 for receivables from exchange and non-exchange transactions as a result of inadequate collection practises.

Irregular expenditure

12. As disclosed in note 47 to the financial statements, irregular expenditure of R28 683 688 was incurred in the current year and has not yet been resolved.

Unauthorised expenditure

13. As disclosed in note 45 to the financial statements, unauthorised expenditure to the amount of R49 266 162 was incurred as a result of overspending on budget

Additional matter

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

Unaudited supplementary information

15. The supplementary information set out on pages 140 to 150 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of 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

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected development priorities

presented in the annual performance report of the Lephalale municipality for the year ended 30 June 2016:

- Development priority 1: Electricity on pages 161 to 168
 - Development priority 2: Water on pages 161 to 168
 - Development priority 3: Sanitation on pages 161 to 168
 - Development priority 4: Refuse on pages 150 to 160
 - Development priority 5: Roads on pages 161 to 168
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 programme are as follows:

Development priority 2: water

Reliability of reported performance information

21. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. We were unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information.

Development priority 3: sanitation

Usefulness of reported performance information

22. The FMPPI requires that performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use. A total 25% of important indicators were not well defined. This was as a result of management not adhering to the requirements of the FMPPI due to indicator data collected inconsistency and as well as lack of standard operating procedures that are in line with the requirements of the FMPPI.

Reliability of reported performance information

23. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of 25% of indicators.

Development priority 4: Refuse

Reliability of reported performance information

24. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for the reported achievements against planned targets of 25% of indicators
25. I did not identify any material findings on the usefulness of the reported performance information for the following development priorities:
- Development priority 1: Electricity on pages 161 to 168
 - Development priority 2: Water on pages 161 to 168
 - Development priority 4: Refuse on pages 150 to 160
 - Development priority 5: Roads on pages 161 to 168
26. I did not identify any material findings on the reliability of the reported performance information for the following development criteria:

- Development priority 1: Electricity on pages 161 to 168
- Development priority 5: Roads on pages 161 to 168

Additional matter

27. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

Achievement of planned targets

28. Refer to the annual performance report on pages 128 to 168; 161 to 168 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21, 22, 23 and 24 of this report.

Unaudited supplementary schedules

29. The supplementary information set out on pages 128 to 140 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 on them.

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, are as follows:

Annual financial statements, performance report and annual report

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

Material misstatements of current assets, current liabilities, non-current liability, revenue, cash flow statement and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently resulted in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

32. The performance of contractors or providers were not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
33. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, in contravention of section 116(2)(c) of the MFMA
34. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Supply Chain Management Regulation (SCM regulation) 36(1)
35. Awards were made to providers who are in the service of the municipality, in contravention of section 112(j) of the MFMA and SCM regulation 44.
36. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(j) MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).
37. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
38. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).

Expenditure management

39. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA
40. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1) (d) of the MFMA.

Consequence management

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

Budget

42. Expenditure was incurred in excess of the approved budget, in contravention of section 87(8) of the MFMA.

Internal control

43. 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 basis for unqualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

44. The accounting officer reviewed the annual financial statements and the annual performance plan with the assistance of the audit committee prior to their submission for audit, but a number of material misstatements on financial statement and limitation on annual performance report were still identified.
45. Evidence of manipulating information before submission for audit, casts serious concerns over leaderships' ethical and moral behaviour

Financial and performance management

46. Daily and monthly internal controls measures in place are not adequate to identify; prevent and correct all the errors and misstatements in the financial statements and annual performance report to ensure compliance with the relevant laws and regulations applicable to the municipality for reporting.

Governance

47. Those charged with governance (internal audit, council and audit committee) did not provide adequate oversight over the effectiveness of the internal control environment over financial statement and reported performance information.

Other reports

48. I draw attention to the following engagements that could potentially impact on the municipality's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been

completed.

Investigations

49. An independent consulting firm performed an investigation at the request of the municipality council. The investigation was initiated based on an allegation of possible irregularities regarding municipality's Supply Chain Management processes. The investigation was concluded on 29 March 2016 resulting in employees found guilty forfeiting their three months salaries.



Polokwane

30 November 2016



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 “ <i>what we use to do the work</i> ”. 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:	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. Section 1 of the MFMA defines a "vote" as: <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> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

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 %	1
Cllr. MR Boloka	FULL TIME	Speaker, Public Participation	ANC PR	95 %	1
Executive Committee Members				100 %	
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 %	1
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	100 %	0
Portfolio Council Chairpersons					
Cllr. ME Dinale	PART TIME	SMME & LED	ANC PR	50%	5
Cllr. F Magwai	PART TIME	Land and Agriculture.	ANC WARD	100%	0
Cllr. ML Shongwe	PART TIME	Public Transport, Roads, Traffic & Licensing	ANC PR	100%	0
Cllr. A Thulare	PART TIME	Mining and Industry, LED/SMME.	ANC WARD	95%	1
Cllr. RM Monyemoratho	FULL TIME	EPWP& Public Works.	ANC PR	100%	0
Cllr. SJ Peletona	PART TIME	Tourism	COPE PR	85%	3
Cllr. ME Maisela	PART	Waste, Parks &	ANC PR	95%	1

	TIME	Cemetery			
Cllr. MJ Mojela	PART TIME	Land	ANC WARD	60%	4
Cllr. GB Koadi	PART TIME	Health and Social Development.	ANC WARD	45%	6
Cllr. MC Matshaba	PART TIME	Water & Sanitation.	ANC WARD	95%	1
Cllr. P Motlokwa	PART TIME	Head Of Infrastructure services	ANC WARD	100%	0
Cllr. P Molekwa	PART TIME	Electricity	ANC WARD	95%	1
Cllr. MJ Selokela	PART TIME	Housing and Disaster Management	ANC WARD	95%	1
Cllr. JA Mohwasa	PART TIME	Sports, Arts and Culture.	ANC PR	35%	7
Cllr. Niewoudt	PART TIME	Environmental Affairs	DA WARD	100%	0
Cllr. KR Molokomme	FULL TIME	Traditional and Home Affairs	ANC PR	95%	1
Cllr. MJ Marakalala	PART TIME	Income and Expenditure	ANC PR	95%	1
Cllr. N J Motebele	PART TIME	Education and Early Childhood Development.	ANC PR	100%	0
Cllr. LS Manamela	PART TIME	Safety, Security, Liaison & Disaster.	DA PR	95%	1
Cllr P Ngoako	PART TIME	Communication	ANC WARD	95%	1
Councillors' directly elected to the WDM					
Cllr. L Moremi	PART TIME	EXCO Member	ANC	100%	0
Cllr. NR Mogotlane	FULL TIME	Executive Mayor	ANC	100%	0
Traditional Leaders					
Kgoshigadi ML Laka		Mokuruanyane, Langa, Traditional Authority		03	06
Kgoshi PD Selekane		Ga-Seleka Traditional Authority		01	08
Kgoshigadi Shongoane MA		Ga-Shongoane Traditional Authority		04	05
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



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) – ATTENDANCE REGISTER FOR CONCILLORS AND COMMITTEES

ATTENDANCE REPORT FOR COUNCILLORS – JULY 2015- JULY 2016				
COUNCILLORS: P=Present A= Apology Ab= Absent	ORD/EXCO 9	ORD/COUNCIL 9	SP/EXCO 5	SP/COUNCIL 5
Clr M R Boloka [Chairperson]		P=6 A=3 Ab=0		P=5 A=0 Ab=0
Clr M J Maeko [Mayor]	P=9 A=0 Ab=0	P=7 A=2 Ab=0	P=4 A=1 Ab=0	P=4 A=1 Ab=0
Clr A E Basson [Executive Committee]	P=8 A=1	P=7 A=2	P=5 A=0	P=4 A=1

	Ab=0	Ab=0	Ab=0	Ab=0
Clr W M Motlokwa [Executive Committee]	P=9 A=0 Ab=0	P=9 A=0 Ab=0	P=5 A=0 Ab=0	P=5 A=0 Ab=0
Clr R M Moatshe [Executive Committee]	P=7 A=2 Ab=0	P=6 A=3 Ab=0	P=3 A=2 Ab=0	P=3 A=2 Ab=0
Clr M E Dinale		P=5 A=4 Ab=0		P=2 A=1 Ab=2
Clr G B Koadi		P=2 A=0 Ab=7		P=4 A=1 Ab=0
Clr M E Maisela		P=9 A=0 Ab=0		P=4 A=1 Ab=0

Clr F Magwai		P=9 A=0 Ab=0		P=5 A=0 Ab=0
Clr L S Manamela		P=9 A=0 Ab=0		P=4 A=1 Ab=0
Clr M J Marakalala		P=7 A=2 Ab=0		P=4 A=1 Ab=0
Clr M C Matshaba		P=9 A=0 Ab=0		P=4 A=1 Ab=0
Clr J A Mogoasa		P=1 A=4 Ab=4		P=2 A=2 Ab=1
Clr M J Mojela		P=4		P=4

		A=3 Ab=2		A=1 Ab=0
Clr P Molekwa		P=8 A=1 Ab=0		P=5 A=0 Ab=0
Clr K R Molokomme		P=7 A=2 Ab=0		P=4 A=1 Ab=0
Clr S J Monyemoratho		P=9 A=0 Ab=0		P=5 A=0 Ab=0
Clr N J Motebele		P=9 A=0 Ab=0		P=5 A=0 Ab=0
Clr M P Ngwako		P=7 A=0		P=4 A=1

		Ab=2		Ab=0
Clr S M Nieuwoudt		P=9 A=0 Ab=0		P=5 A=0 Ab=0
Clr S J Peletona		P=6 A=3 Ab=0		P=3 A=1 Ab=1
Clr M J Selokela		P=7 A=2 Ab=0		P=5 A=0 Ab=0
Clr M L Shongwe [Ditshilwana]		P=9 A=0 Ab=0		P=5 A=0 Ab=0
Clr A Thulare		P=8 A=1 Ab=0		P=4 A=0 Ab=1

ATTENDANCE REPORT FOR TRADITIONAL LEADERS – JULY 2015 – JUNE 2016

TRADITIONAL LEADERS: P=Present A= Apology Ab= Absent	ORD/EXCO 9	ORD/COUNCIL 9	SP/EXCO 5	SP/COUNCIL 5
Ms M A Shongoane		P=4 A=0 Ab=5		P=0 A=0 Ab=5
Ms M L Laka		P=3 A=0 Ab=6		P=1 A=0 Ab=4
Mr P D Seleka		P=1 A=0 Ab=8		P=0 A=0 Ab=5

ORDINARY EXCO = 9

ORDINARY COUNCIL = 9

SPECIAL EXCO = 5

SPECIAL COUNCIL = 5

NUMBER OF ALL MEETINGS = 28

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

OFFICE OF THE MUNICIPAL MANAGER			
	Manager: Internal Auditor(Acting)	Mamafa	M
	Risk Officer	Sefala	M
	Manager: Communication	Chiloane	SC
	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(Acting)	Makholwa	K
SECTION: DEVELOPMENT PLANNING			
	Manager: LED (Acting)	Maake	J
	Manager: Town Planning	Mutshavi	H.C
	Manager: Building Control	Mabale	T.O.B
SECTION: SOCIAL SERVICES			
	Manager: Library	Ndoweni	B.J
	Manager: Parks	Tshivandekano	T
	Manager: Housing	Dankuru	M
	Manager: Waste	Hlapa	P.J

		Management		
		Manager: Licensing	Teffo	J.R
		Manager: Traffic	Maloba	P
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	Machete	E

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 & the display	Yes	Yes	12	Development planning	Yes	No service level agreement in place
Cemetery, funeral parlours & crematoria	Yes	Yes	9	Social services	Yes	Rendered through social services in urban areas and Steenbokpan

Function	Authority	Capacity	Personnel	Department	Budget	Comments
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 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 F – WARD REPORTING, CAPITAL PROJECTS BY WARD

Component v (five) of the SDBIP is not fully included in Lephalale 2015/16 SDBIP and as results the information for capital projects is covered in chapter 3 of this annual report

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 G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2015/16

REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE (AC) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

We are pleased to present our report for the financial year ended 30 June 2016.

Audit and Performance Committee and Attendance

The Audit and Performance Committee consists of three 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).

Nine meetings (two for Performance Management Reviews) were held during the 2015/16 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 – resigned in May 2016)	6
Ms. P.M.M. Mphelo (Chairperson – appointed in May 2016)	7
Mr. I.S. Mogotsi	7
Mr. B. Mbange	7

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 the Audit Committee Charter and has regulated its affairs in compliance with the charter as approved by Council.

We have 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 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 adequate 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.

We are of the view that there are still areas where internal controls need to be improved.

The AC is concerned that of the thirty-four (34) findings in the 2015/16 Audit Report by the AGSA, twenty (20) of the issues raised are recurring.

The AC continues to be concerned about the seriousness of some of the matters raised in the external auditor's management report as well as Internal Audit findings.

Internal Audit

The 2015/16 risk based Internal Audit Plan was approved and its effectiveness was considered. In monitoring the annual audit plan, the AC raised concern regards the staff changes that took place in the Internal Audit Unit. The AC observed the challenges that took place within that unit as a result of those changes.

The AC notes the commitment of the Internal Audit unit to remain effective and objective despite the impact of the changes that occurred in the unit during the financial year under review.

Forensic Investigations

An external service provider was appointed to conduct a forensic investigation of various transactions during the 2015/16 financial year. The final report has been issued and disciplinary action was taken against the relevant personnel.

Risk Management

The AC notes the progress made by the Risk Management Committee.

The risk management strategy and policy were developed. The strategic and operations risk registers were approved during the financial year under review.

Based on the reports received by AC, the Fraud Policy and Fraud Prevention Plan were reviewed and approved for financial year 2015/16. However, the AC notes that there needs to be more focus and training on fraud awareness within the Municipality.

We are concerned that the Business Continuity Management system could not be implemented during 2015/16 financial year.

Evaluation of Annual Financial Statements

The Municipality achieved an unqualified audit opinion for the third consecutive year. The AC accepts the AGSA's conclusions on the Annual Financial Statements (AFS) and they can be read together with the audit report of the AGSA.

The AC reviewed the draft Annual Financial Statements (AFS) before they were submitted to the AGSA for auditing.

However, the AC is concerned over the material misstatements, including repeated findings from previous years on the AFS reported by the AGSA in the Management Report. These material misstatements were raised by AGSA although the Municipality appointed a consultant to review the AFS.

The AC notes the reported challenges experienced with the appointment of the Chief Financial Officer (CFO), however, we wish to stress that in order for the Budget and Treasury section to operate at an optimal level, the appointment of the CFO should be finalised as a matter of urgency.

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 appreciates the commitment shown by the Municipality in monitoring performance information. Quarterly performance reports were submitted to the AC. The performance of section 56 employees was evaluated for three quarters of the financial year; the last quarter was not yet done.

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 is concerned that engagements with the AGSA were not sufficient to give input into the audit strategy and to discuss significant audit findings before finalising the 2015/16 audit report.

We request that the Municipality facilitates engagements between the AC and AGSA in a timely manner for the next financial year.

Appreciation

In conclusion, the AC expresses its appreciation towards the Accounting Officer and all other role players for the constructive AC meetings held during the 2015/16 financial year.



PMM M. Melo CA (SA)
20 December 2016

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long term contracts (20 Largest Contracts Entered into 2015/16)					
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 2015	20 June 2016	MUNICIPAL MAMANAGER	
EXXARO	EXXARO	01 July 2015	20 June 2016	MUNICIPAL MAMANAGER	

Public Private Partnerships Entered into 2015/16					
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	EXECUTIVE MANAGER DEVELOPMENT PLANNING	
Development Altoostyd	CoGHSTA	July 2012	2020	EXECUTIVE MANAGER DEVELOPMENT PLANNING	
Provincial Greening	Exxaro	July 2012	June 2014	EXECUTIVE MANAGER SOCIAL SERVICES	
Business Support	LEDA	July 2012	June 2015	EXECUTIVE MANAGER SOCIAL SERVICES	
Development Rooigoud Farm Project	Department of Agriculture	July 2012	June 2015	EXECUTIVE MANAGER DEVELOPMENT PLANNING	
Business Licencing	LEDET	July 2012	June 2015	EXECUTIVE MANAGER SOCIAL SERVICES	
	SEDA				
	Doornhoek Development				

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 DISCLOSURE PROGRAM ENFORCED BY COUNCIL. EXECUTIVE MANAGERS HAS DISCLOSED WHEN SIGNING THEIR PERFORMANCE AGREEMENTS IN TERMS OF SECTION 57.

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Replaced with audited schedule from AFS

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Replaced with audited schedule from AFS

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Replaced with audited schedule from AFS

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Replaced with audited schedule from AFS

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

Replaced with audited schedule from AFS

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Replaced with audited schedule from AFS

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Replaced with audited schedule from AFS

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 2015/16				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2015/16 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	R 197	R 197
Mogol club	Maintenance of Sports and Recreational facilities at Onverwacht	Maintenance of facilities	R 518	R 518
Sports Club Marapong	Maintenance of sports and Recreational facilities at Marapong	Maintenance of facilities	R 518	R 518
* 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 FINANCIAL YEAR 2015/16 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 2015/16

VOLUME II

VOLUME II AUDITED ANNUAL FINANCIAL STATEMENTS

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.