



# **Mopani District Municipality**

# **Annual Report 2017/18**

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## PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

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## CHAPTER 1: MAYOR`S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENTA: MAYOR`S FOREWORD



Executive Mayor of  
Mopani District Municipality  
CLLR Rakgoale CN

The 2017/18 financial year has been an eventful year for the council of Mopani District Municipality as we forged ahead with our efforts of improving the lives of the people of our district. It is with great humility for me to report that we have, collectively tried our utmost best to improve the livelihood of the people of our district as mandated by the electorate in 2016.

I remain humbled by the responsibility to be the political head of this municipality, and to be part of this dedicated team of men and women who are focused on the task of delivering on our vision of being the “food basket of Southern Africa and a Tourism destination of choice.” The team remains dedicated to changing the lives of our people for better.

We have in this financial year improved our spending on grants, and we continue to put in place measures to ensure that money allocated for projects is indeed spent on such projects that ultimately deliver potable water and sanitation to our communities.

As the political leadership, we have been able to offer the best support to the administration, and we have filled the positions of senior managers in five of the six directorates. We are hoping to fill the remaining vacancy of the senior manager in the Office of the Executive Mayor.

We have completed several major projects, especially in the Ba-Phalaborwa, where we constructed a 44,6km internal water reticulation. This project benefits villages of Kurhula, Matiko Xikaya, Mashishimale, Nyakelang, Makhushane Exetension 19. We also completed the construction of the 25,1km internal reticulation in Ba-Phalaborwa which will benefit the communities of Makhushane, Kanana and Garden view.

The municipality is envisaging further service delivery improvements as a number of water projects will be launched during the 2018/19 financial year. More than thirty water projects are to be launched and handed over to contractors in the Greater Letaba and the Greater Tzaneen municipalities during the first quarter of the next financial year. Some of the identified projects include Joppie-Mawa, Sefofotse, Thabina, Tours and Thapane among others.

An intervention by Water and Sanitation minister Gugile Nkwinti in the Greater Giyani area is also bringing hope to our people. This after Khathu Civils abandoned the multibillion rand project a year ago. As the district municipality we want to see the completion of the project and the handed over to us so that we can continue to provide communities with portable water. We are also calling on the authorities to act on those who may have contributed to the alleged maladministration that led to the delay on the completion of the project to be held

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accountable.

It is also important to note that progress is being made on the laying of the Nandoni-Nsami Dam pipeline which will augment water supply in the Giyani area.

The water infrastructure projects across the district have created thousands of work opportunities for our people through the Expanded Public Works Programme, and our target for the 2018/19 financial year is to create 5935 work opportunities for the people of Mopani. We are going to launch the District EPWP forum which shall assist in coordinating the EPWP programme for all role players in the district.

Improving the lives of ordinary members of the public residing within our institution remains, our apex priority. With the district municipal area being a tourism destination of choice and a gateway to some of the Southern African Countries, the tourism sector is also making positive contributions to the development of our rural areas that are near a number of tourism attraction points. The Directors, managers and staff members at large have assured me that they will work hard to ensure that the residents of Mopani continue to get water, as directed by the Constitution of the Republic.

The VISION of the Mopani District Municipality is:

“To be the Food Basket of Southern Africa and the Tourism Destination of Choice”

The meaning of this Vision is:

“Mopani District as a whole will create a favourable environment to ensure that out of the whole of Southern Africa, the Mopani District will supply the largest part of food (fruit, vegetables, nuts, meat [mainly game] produce and products) to the local, national and international market. This will create extra-ordinary economic growth for the whole district, emanating in the improvement of the quality of life of all citizens and also enabling the local municipalities to be financially viable and to provide quality services. Due to the diverse vegetation within the District, ranging from sub-tropical, tropical to bush-veld, as well as the fact that it falls within the gateway to the Kruger National Park and Mozambique, it creates the ideal opportunity to promote the District as the tourist growth point in the Limpopo Province.”

We held an Economic Summit and resolved on strengthening partnerships with strategic stakeholders to help boost SMME development in our district. We have since coordinated 32 enterprise development events for SMMEs, and six training sessions which exposed 169 entrepreneurs on business skills.

The District Municipality has identified public participation as the most appropriate way of encouraging citizenry involvement. This has created a platform for communities to raise their service delivery dissatisfaction and also a platform to highlight the happiness on the strides that have been made by the district municipality in various communities.

We are still highly committed to contribute to the goals of the National Development Plan, of creating a prosperous South Africa by 2030. Together with our stakeholders we shall continue to work together to fight the triple challenges of unemployment, poverty and inequality.

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

**C Nkakareng Rakgoale**

**Executive Mayor**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

Municipal Manager Mr  
Monakedi SR



As with all other district municipalities, Mopani District does not have a distinct land area of its own, but shares the same operational area with the local municipalities falling within it. Mopani District also embraces certain parts of the Kruger National Park through Ba-Phalaborwa and Greater Giyani. Mopani District Municipality was established in 2000 in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipal offices of the district are situated in the government complex in Giyani in the Greater Giyani Municipality. The District Disaster Management centre is built in Tzaneen town and is in full use including Fire services.

The Mopani District Council has distinct roles, powers and functions to those of the local municipalities. Amongst these is the role of coordinating and supporting services across the three spheres of government.

The Mopani District Municipality is committed to a continuation of the drive towards the alleviation of poverty over the short term and the elimination of endemic poverty over the longer term and takes forward the charge for upliftment of our communities.

As such we retain the commitment to being (1) easily accessible to all members of the community and (2) strategic, developmentally orientated planning as envisaged in the legislation, policy framework and guidelines, without becoming a futile exercise focused primarily on ensuring compliance.

Subsequent to the initiative by the Presidency to align the National Spatial Development Perspective (NSDP), the Provincial Employment, Growth and Development Plan (PEGDP), Mopani District Municipality has aligned its Strategic Objectives and Outcomes to these initiatives and priorities

The IDP of the municipality is aligned with the budget and the performance management system. This implies that any service and/or programme that was implemented by the municipality was informed by the set targets against the targeted outcomes, the allocated budget resources and the performance targets as set by Council in consultation with the communities. The report will provide a feedback on the strategic performance as per the IDP, National General KPI's and the SDBIP. The municipality has also continued measuring organisational performance.

On the service delivery, it must be stated that the priority area for the district is water services so therefore majority of the service delivery projects that were implemented are water related inclusive of rural household

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sanitation and sewerage infrastructure projects. In total, 266 villages received water from the bulk water supply infrastructure. Overall, 84% of households have access to basic water.

The District had gone through each and every project and process that was planned for implementation in 2016/17 and checked performance to date.

On the conservation of power and water within the municipal offices, it must be highlighted that there is still more work that we need to do. The conservation of power is taking place whereby a notice issued to all staff to switch off power points when not in use is being implemented. These will be continued even in the future given the fact that we also plan to introduce new energy saving projects which will also qualify as green projects.

It is worth noting that Council has considered the impact of the global economic crisis and as a result have resorted to using our municipal facilities that can accommodate about seventy people for meetings such as the disaster management center and the auditorium.

The 2016-2017 year has indeed ushered in a new wave of thinking within the district municipality particularly when it comes to service delivery. It must be indicated that with a population of over a million and households that are predominantly rural, it remains a challenge to ensure that all household receive at least basic level of services. Being the Water Services Authority, Mopani is taking this challenge seriously and making it the priority with regards to allocation of funding and resources hence the Council even resolved to collect revenue at a fixed rate in villages where there is sustainable provision of water.

The devolution of power and functions, specifically regarding Water Services remain a challenge due to the vastness of the municipal area, the rural nature thereof and the shortage of bulk water and the role clarification amongst role players. Considerable efforts have been embarked upon at the end of the period under review whereby an in depth analysis of the Water Services function led to measurement of services, including each of the satellite offices. It is pre-empted that this endeavour will take us forward during the next financial year to iron out the majority (if not all) of the challenges being experienced.

It is our wishes that in the near future we will bring more improvement in those areas that are still a challenge but also continue to maintain excellent performance where the municipality has done very well. Despite all the institutional challenges the municipality experienced in the previous years, it remains stable and resolute in the quest to be amongst the best municipalities.

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The powers and functions of the Mopani District Municipality, tabled in terms of sections 83 and 84 of the Municipal Structures Act, 1998, the Limpopo Provincial Notice No. 309 of 2000, Government Gazette No. 615 of 1st October 2000 and Notice no 356, Gaz. No. 1195 of 14th October 2005, are as follows:

- (a) Integrated Development Planning for the district municipality as a whole, including a framework for integrated development plans for the local municipalities within the area of the district municipality, taking into account the integrated developments plan on those local municipalities.
- (b) Bulk supply of water that affects a significant proportion of municipalities in the district.
- (c) Bulk supply of electricity that affects a significant proportion of municipalities in the district.
- (d) Bulk sewerage purification works and main sewage disposal that affects a significant proportion of the municipalities in the district.
- (e) Solid waste disposal sites serving the area of the district municipality as a whole.

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- (f) Municipal roads which form integral part of a road transport system for the area of the district municipality as a whole.
- (g) Regulation of passenger transport services.
- (h) Municipal Airport serving the area of the district municipality as a whole.
- (i) Municipal Health Services serving the area of the district municipality as a whole.
- (j) Fire Fighting services serving the area of the district municipality as a whole.
- (k) The establishment conducts and control of fresh produce markets and abattoirs serving the area of the district municipality as a whole.
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of the district municipality as a whole.
- (m) Promotion of local Tourism for the area of the district municipality as a whole.
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- (o) The receipt, allocation and if applicable, the distribution of grants made to the district municipality
- (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

It should be noted that the division of powers and functions between the district municipality and local municipalities were adjusted by the MEC for Local Government and Housing in terms of sections 16 and 85 of the Municipal Structures Act, 1998 and published in the Provincial Gazette No. 878, dated 07 March 2003.

The following District municipal powers and functions were thus transferred to Local Municipalities:

- ☐ Solid waste disposal;
- ☐ Municipal roads which form an integral part of a road transport system of the municipal area;
- ☐ The establishment, conduct and control of cemeteries and crematoria serving the municipal area;
- ☐ Promotion of local tourism for the municipal area;
- ☐ Municipal works relating to any of the above functions or any other functions assigned to the local municipality.
- ☐ NB: The District has not yet taken over on the Municipal Airports function. Study has been commissioned for that.

T 1.2.1

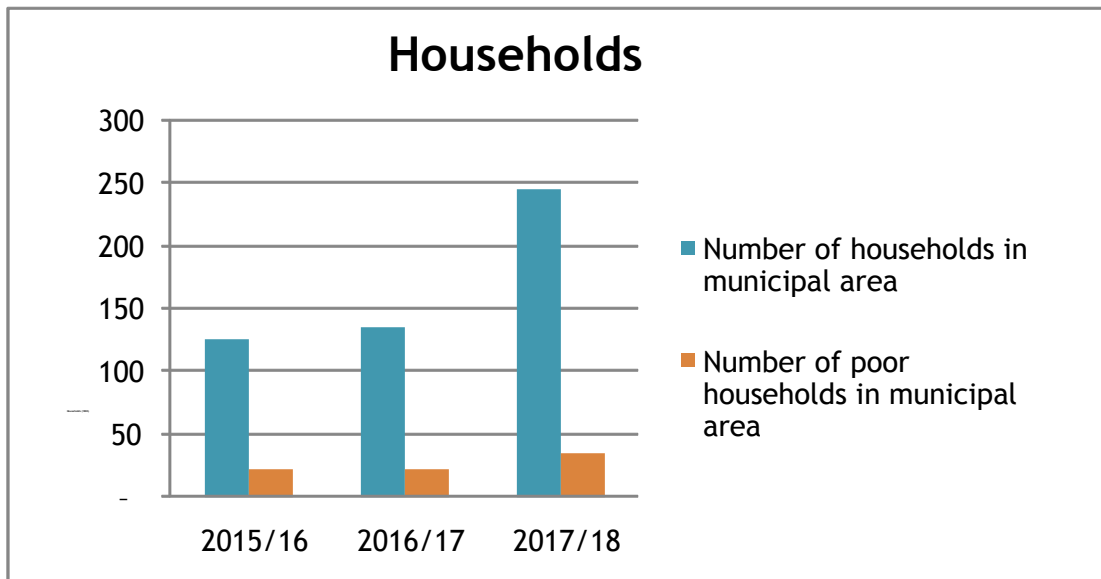
The reconciled total population of the Mopani District Municipality has increased from 1 061 107 (Census 2001) to 1 068 569 (Community Survey 2007) to 1 092 507 (Census 2011). The population for each municipality within Mopani District is presented in **Table 6**. Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of land shortage for economic development is perpetrated by the vast land occupied for dwelling purposes, leaving much little for economic growth



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Population Details									
Population '000									
Age	2015/16			2016/17			2017/18		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	59,508	54,117	113,625	59,508	54,117	113,625	69,381	69,379	138,760
5-9	67,455	62,576	130,031	67,455	62,576	130,031	57,589	58,160	115,749
10-19	138,750	143,807	282,557	138,750	143,807	282,557	124,410	120,182	244,592
20-29	83,343	93,447	176,790	83,343	93,447	176,790	96,846	106,670	203,516
30-39	58,485	71,977	130,462	58,485	71,977	130,462	55,074	76,330	131,404
40-49	36,292	57,474	93,766	36,292	57,474	93,766	39,715	61,682	101,397
50-59	25,861	34,207	60,068	25,861	34,207	60,068	28,323	41,855	70,178
60-69	17,016	26,422	43,438	17,016	26,422	43,438	17,922	25,925	43,847
70+	10,237	27,585	37,822	10,237	27,585	37,822	12,322	30,747	43,069

Source: Statistics SA (Statssa 2011 Census) idp17/18  
T1.2.2

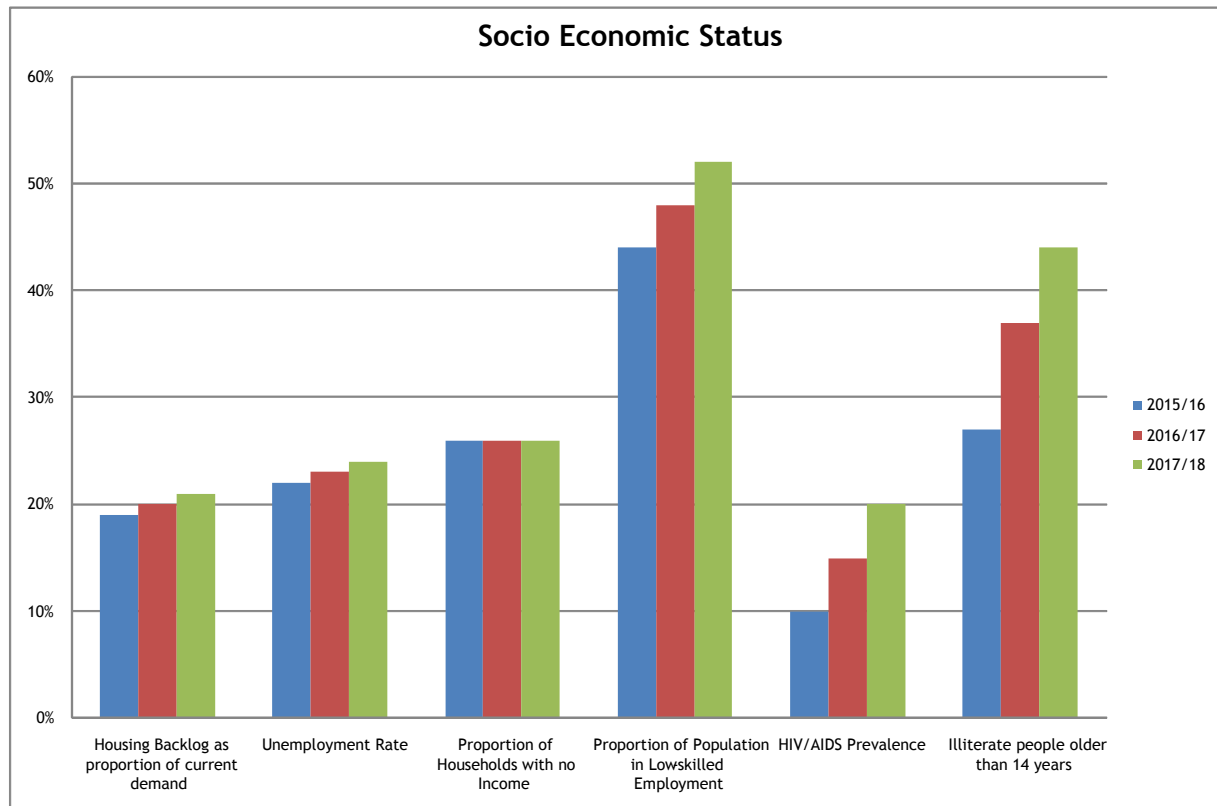


Socio Economic Status						
Year	Housing Backlog as proportion of current	Unemployment rate	Proportion of households with no	Proportion of population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 14 years

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	demand		income			
<b>2015/16</b>	32.3%	19.7%	48.0%	30.6%	24.8%	27.1%
<b>2016/17</b>	8.4%	10.4%	14.2%	30.6%	24.8%	27.1%
<b>2017/18</b>	8.4%	39.0%	43.0%	30.6%	24.6%	12.0%
<b>T1.2.4</b>						

Source: Census 2011, StatsSA; IDP Department



**T1.2.5**

Overview of Neighbourhoods within Mopani District Municipality		
Settlement Type	Households	Population
Towns & Townships		
LIM331: Greater Giyani	8,097	25,643
LIM332: Greater Letaba	4,791	12,124
LIM333: Greater Tzaneen	14,227	40,570
LIM334: Ba-Phalaborwa	18,994	76,824
LIM335: Maruleng	1,187	2,182
Sub-Total	47,296	157,343
Rural settlements		

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LIM331: Greater Giyani	55,451	218,576
LIM332: Greater Letaba	53,470	200,578
LIM333: Greater Tzaneen	94,699	349,528
LIM334: Ba-Phalaborwa	22,121	73,811
LIM335: Maruleng	23,283	92,673
Sub-Total	249,024	935,166
Informal settlements		
Farming		
LIM331: Greater Giyani		
LIM332: Greater Letaba		
LIM333: Greater Tzaneen		
LIM334: Ba-Phalaborwa		
LIM335: Maruleng		
Sub-Total	0.00	
Total	296,320.00	1,092,509.00
T 1.2.6		

Source: Census 2011, 17/18 IDP, IDP Department

Natural Resources	
Major Natural Resource	Relevance to Community
Marula Fruit	Job creation through collection of fruit by community members and supply to Amarula producers
Mopani worms	Source of food
Tourism	Job creation and economic growth
Agriculture	Job creation. Food Source
Mining	Job creation and economic growth
T1.2.7	

Source: 17/18 IDP

### COMMENT ON BACKGROUND DATA:

The reconciled total population of the Mopani District Municipality has increased from 1 068 569 (Stats SA CS 2007) to 1 092 507 (Stats SA Census 2011). Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of land shortage for economic development is perpetrated by the vast land occupied for dwelling

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purposes, leaving little for economic growth. Portion of Kruger National park is mainly occupied by animals with very few people employed.

The average ratio male to female in Mopani District Municipality as a whole is 46% to 54% and the tendencies and trends are still prevalent. The age and gender structure is by and large influenced by levels of fertility, mortality and migration. These factors are also influenced by socio-economic circumstances such as education, level of affluence (income) and location. In almost all local municipalities there are more females than males. This is most significant in Greater Giyani and Greater Letaba municipalities which are primarily rural/ non-urban in nature. The scenario could be attributed to low levels of education and affluence in these municipalities, exacerbated by men seeking jobs elsewhere. Ba-Phalaborwa has comparable balance in numbers between females and males, however with more males than females at working age categories. That is ascribed to young men employed in the mining sector at Phalaborwa and Gravelotte. The Kruger National Park also has more males than females and that could be attributed to more men ready for field rangers' jobs than women, with the ratio men: women being 63%: 27%.

The other dimension is that the current highest population number exists in the age category 15 - 19 years whereas in the previous years the highest was in the category 10 – 14 years. These are school-going people who need support for them to be employable in the economic sectors. There is also proportional balance between boys and girls from age zero to 20. Ages 20 and above show females out-numbering males significantly. Further analysis of the demographics indicates that 49,4% of the residents are still at a young age (0-19 years). Population numbers decrease with age increase, i.e. the older generation is less than the young one.

It is also notable that population size of Mopani has grown steadily by 3% since the year 2000 to 2011, with absolute pick up in 2005 when Maruleng and part of Kruger National Park (KNP) got incorporated into Mopani. Redetermination of municipal boundaries in 2008 has not made significant change in this trend since it affected only nature conservation area, Kruger National Park. High population growth itself is a threat to the economic growth in terms of scarcity of prime land space. Since the main source of population growth is birth rate and emigration, programmes geared at combating children pregnancies, women empowerment and those dealing with illegal emigration should be strengthened. As per the Census 2011, the overall population size of Mopani District stands at 1,092,507.

People in the Mopani district are employed in the following sectors: Farming, Industry, Mining, Trade, Government, Transport, Tourism, Manufacturing, Construction and Energy. The Government Sector is the largest employer in the district e.g. 39% of the employed in Greater Giyani work for government. The second largest employer in Mopani district is the farming sector with 25,9% of the employed people. This is however, not the case when considering the municipalities separately with the mining sector employing the second largest portion of the Ba-Phalaborwa population (19,5%). Greater Giyani has the highest level of unemployment with 47% of the population not being employed. The number of people unemployed as a percentage of the total employable population of the District (287,405) is 39%. It is however important to note that of the unemployed people in the district, approximately 60% are women.

Income from employment determines the overall living standards of people and also the household's affordability levels. These levels should be taken into account when setting service level targets. The majority of people in the district (at least 81%) live in rural areas and most of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with remunerative jobs or self-

# Chapter 3

employment opportunities. A notable percentage of people in the district have no income. It should, however, be taken into account that these figures reflect the total population and not only the potentially economically active portion of the population. Economically inactive people, such as, children and pensioners are also included. It is disturbing to note that, even for the labour force alone, 89.1% of the population in the Greater Giyani Municipality earns less than R800 per month. The situation is worse in Greater Letaba where 92.2% of the earning population earn less than R800 per month, while the situation is much better in Ba-Phalaborwa with only 75% of the labour force earning less than R800 per month. This can be attributed to the high level of urbanization in Ba-Phalaborwa and the presence of mines.

Mopani is also endowed with natural resources such as marula fruits which produce many products in the processing value chain. The name Mopani is loud enough to indicate our wealth in mopani worms, the most nutritious food which is good for health. The provincial economic development study of 2000, identified tourism, agriculture, mining and trade and manufacturing as sectors with a potential for growth in the Mopani district. Agriculture is one sector that yields much products, excelling in tomatoes that are exported throughout the world. Other sectors in Mopani are the red and white meat production. Mopani also boasts of the pool of cost effective labour to work in labour intensive programmes such as agriculture and EPWP. The challenge may be skilling them for better production.

The Mopani District also enjoys the beneficiation economic programmes of Kruger National Park where citizens get jobs to conquer poverty. The district also has comparative advantages in agriculture, manufacturing and trade. Hereunder is an analysis of the district economy.

*Source: MDM IDP 17/18*

T1.2.8

## 1.1. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The reconciled total population of the Mopani District Municipality has increased from 1 068 569 (Stats SA CS 2007) to 1 092 507 (Stats SA Census 2011). Out of the entire district population, 81% reside in rural areas, 14% in urban areas and 5% stay on farms. The population densities vary from municipality to another, but the average is 23 people/ ha. It shows that people are sparsely populated with sufficient land around them. The problem of land shortage for economic development is perpetrated by the vast land occupied for dwelling purposes, leaving little for economic growth. Portion of Kruger National park is mainly occupied by animals with very few people employed.

The average ratio male to female in Mopani District Municipality as a whole is 46% to 54% and the tendencies and trends are still prevalent. The age and gender structure is by and large influenced by levels of fertility, mortality and migration. These factors are also influenced by socio-economic circumstances such as education, level of affluence (income) and location. In almost all local municipalities there are more females than males. This is most significant in Greater Giyani and Greater Letaba municipalities which are primarily rural/ non-urban

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It is also notable that population size of Mopani has grown steadily by 3% since the year 2000 to 2011, with absolute pick up in 2005 when Maruleng and part of Kruger National Park (KNP) got incorporated into Mopani. Redetermination of municipal boundaries in 2008 has not made significant change in this trend since it affected only nature conservation area, Kruger National Park. High population growth itself is a threat to the economic growth in terms of scarcity of prime land space. Since the main source of population growth is birth rate and emigration, programmes geared at combating children pregnancies, women empowerment and those dealing with illegal emigration should be strengthened. As per the Census 2011, the overall population size of Mopani District stands at 1,092,507.

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Income from employment determines the overall living standards of people and also the household's affordability levels. These levels should be taken into account when setting service level targets. The majority of people in the district (at least 81%) live in rural areas and most of these rural residents are poor. Income in rural areas is constrained by the rural economy that is unable to provide people with remunerative jobs or self-employment opportunities. A notable percentage of people in the district have no income. It should, however, be taken into account that these figures reflect the total population and not only the potentially economically active portion of the population. Economically inactive people, such as, children and pensioners are also included. It is disturbing to note that, even for the labour force alone, 89.1% of the population in the Greater Giyani Municipality earns less than R800 per month. The situation is worse in Greater Letaba where 92.2% of the earning population earn less than R800 per month, while the situation is much better in Ba-Phalaborwa with only 75% of the labour force earning less than R800 per month. This can be attributed to the high level of urbanization in Ba-Phalaborwa and the presence of mines.

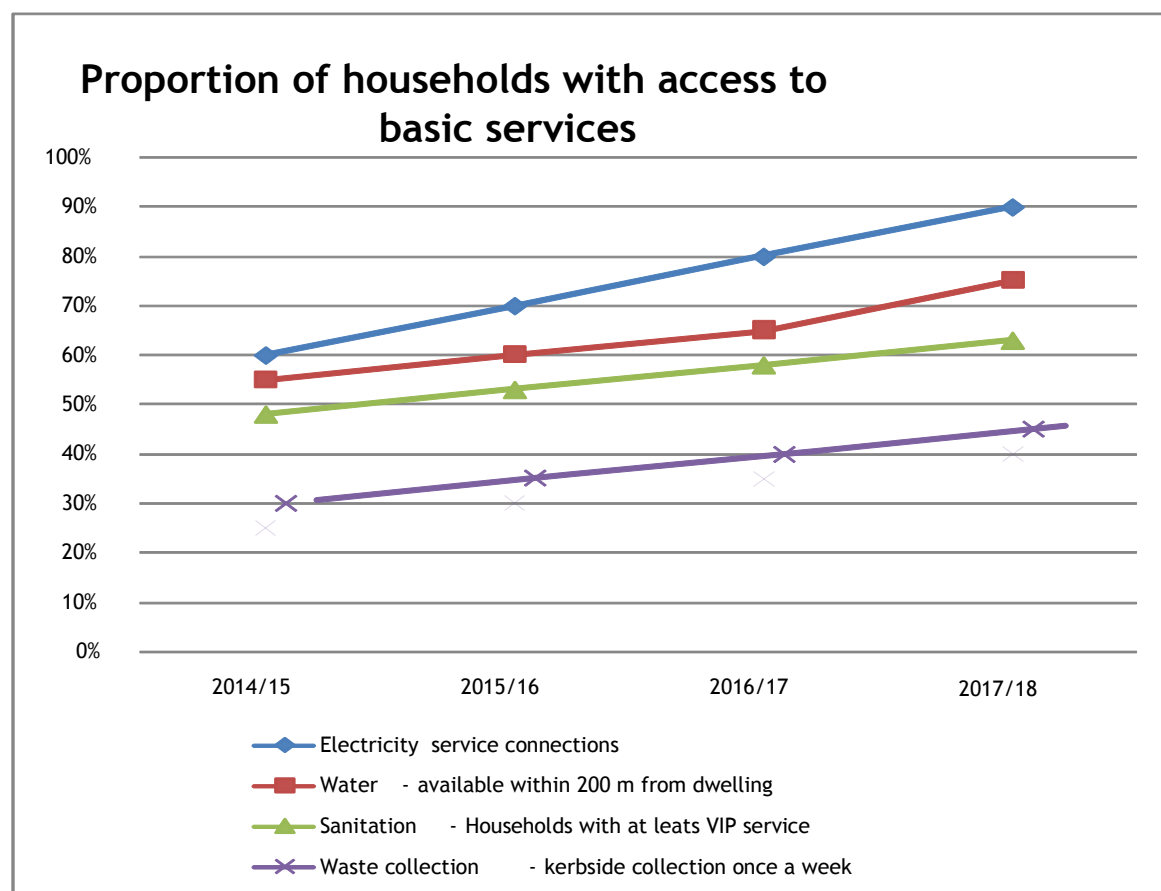
## Chapter 3

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Source: MDM IDP 17/18

T 1.3.1



COMMENT ON ACCESS TO BASIC SERVICES:

# Chapter 3

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have 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. The provision of adequate municipal infrastructure remains a challenge throughout the district.

T1.3.3

## 1.2. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

In terms of the audited results, the municipality received total revenue of R1 486 815 740 in the 2017/18 financial year as compared to R 1 176 807 452 in the 2016/17 financial year which is an increase of R310 008 288. The total expenditure for the 2017/18 financial is at R1 244 199 031 against R 1 365 414 724 in 2016/17 which represents a decrease in expenditure of R 121 215 693. The municipality largely depends on grants but currently a revenue enhancement strategy is being developed to consider other possible revenue generating mechanisms. We hope and believe that the final product will yield the desired goals.

T1.4.1

Financial Overview – 2017/18			
			R`000
Details	Original Budget	Adjustment Budget	Actual
<b>Income</b>			
<b>Grants</b>	<b>1 337 249</b>	<b>1 378 191</b>	<b>1 256 377</b>
<b>Taxes, Levies &amp; Tariffs</b>	<b>237 719</b>	<b>235 217</b>	<b>178 851</b>
Other	11 340	7 960	51 589
Sub Total	1 586 308	1 621 368	1 486 817
Less Expenditure	1 035 314	1 105 685	1 232 834
Net Total	550 994	515 683	253 983
*Note: surplus/(deficit)			T1.4.2

#### Source 17/18 AFS

It is evident from the figures contained above, there are variances between the budgeted and actual figures. The total budgeted and actual income however differ with only R134 552

Operating Ratios	
Detail	%
Employee Cost	98%
Repairs & Maintenance	33%
Finance Charges & Depreciation	96%
T1.4.3	



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## COMMENT ON OPERATING RATIOS:

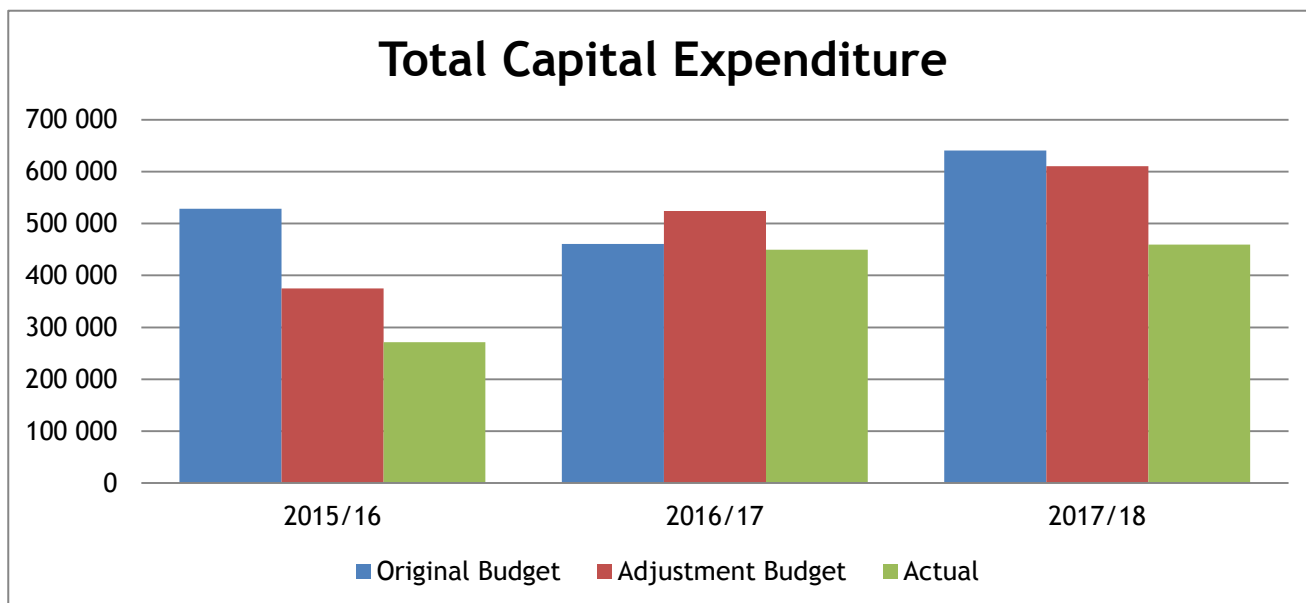
The employee costs for Mopani District Municipality for the year under review stands at 98% which is far above the acceptable norm of 33%. The expected ratio of Repairs and Maintenance should be in the region of about 20%, whereas the ratio for the municipality is 33% for the year under review. The ratio for Finance Charges and Impairment against expenditure is also expected to be about 10%, whereas the ratio for the municipality is at 96% for the year under review.

Source: Previous year actuals as per AR 17/18; Current year as per BTO

T1.4.3.

Total Capital Expenditure 2016/17 – 2017/18			
			R`000
Detail	2015/16	2016/17	2017/18
Original budget	528 256	460 684	640 835
Adjustment budget	375 196	524 458	610 476
Actual	271 175	449 285	459 705
			T1.4.4

Source: Previous year actuals as per AR 17/18; Current year as per BTO



T1.4.5

Source: Previous year actuals as per AR 17/18; Current year as per BTO

## COMMENT ON CAPITAL EXPENDITURE:

# Chapter 3

During the period under review, the municipality ended with an Actual Expenditure of R459 705 million out of the adjusted budget of R 610 476 million. Capital expenditure was R 640 835 million less than the previous year.

1.4.5.1

## 1.3. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The total approved posts of the municipality are 1244 for which 645 posts were filled during the reporting period and 599 posts remained vacant. The water services directorate has the highest vacancies at 593 due to the increasing number of retirements, death cases and resignations. For the period under review, a total of 43 employees have gone on retirement, 15 passed on, 12 resigned, two (2) were dismissed after disciplinary processes and 1 the contract expired. The total number of Councilors for the municipality is 51 and 1 passed on. Organogram review was conducted in 17/18

T1.5.1

## 1.4. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT 16/17

The municipality has received a disclaimer audit opinion. The issues that lead to a disclaimer audit opinion was a result of significant issues raised in relation to assets management, revenue management, liability management.

T 1.6.1

## 1.5. STATUTORY ANNUAL REPORT PROCESS

	Activity	Timeframe
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# Chapter 3

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 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
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 assesses draft 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 councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
T1.7.1		

## COMMENT ON THE ANNUAL REPORT PROCESS:

The above timeframes are legislated. It is great importance to distinguish between the Annual Performance Report (APR) and the Annual Report (AR). The content of the Annual Performance Report is the actual achieved in relation to targets set in the Service Delivery Budget and Implementation Plan (SDBIP) as approved for the specific financial year. This report, together with the Annual Financial Statements are submitted to the Auditor General by the 31 August. Then comes the development of the Annual Report. The Annual Report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users

# Chapter 3

of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. The Annual Report is tabled before the Council on the 30th January and after consideration by the MPAC, the MPAC will report to council by the 30th March. These reports should be used as a decision making tool by the municipalities.

Every municipality and municipal entity must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121.

The purpose of the Annual Report is:

- ☐ to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- ☐ to provide a report on performance in service delivery and budget implementation for the financial year;
- ☐ to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- ☐ to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

The annual report is thus a back-ward looking document to inform strategic planning and budgeting for the following year.

T1.7.1.1

# Chapter 3

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Constitution section 151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The municipal Structures Act defines a municipality among other as a structure with political office bearers and administration components; a geographic area and the community of the municipality.

#### **Rights and duties of municipal Council (The Political Component)**

The council of a municipality has the right to govern, on its own initiative the local government affairs of our local communities; and to exercise the municipality's executive and legislative authority without interference. Council must respect the rights of citizens in the way in which they exercise their powers. Council has duties as well as rights that, amongst others include the duties to:

- Exercise their powers and use their resources in the best interests of our communities;
- Provide without favour or prejudice democratic and accountable government;
- Encourage the participation of the communities;
- Ensure that Municipal Services are provided to the communities in an equitable, financially and environmentally sustainable manner;
- Promote development in the municipality;
- Promote gender equity;
- Promote a safe and healthy environment in the municipality; and
- Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act puts a responsibility on council to consult the local community about Municipal Services. The community has a say in which services are delivered; the quality of services the range and the level of services which are provided.

#### **Duties of the Municipal administration (The Administrative Component)**

The Administrative component have responsibilities towards the communities amongst the responsibilities the following is outlined.

- Being responsible for the general administration and accounting of the functionaries of the municipality;
- Being responsive to the needs of the local community;
- Establishing clear channels of communication with all sectors of the society and governance;
- Informing the local communities about the services which they are entitled to receive; and
- Informing the local community how the municipality is managed, what it spends its money on, and who is in charge.

The Municipal administration has the responsibility to facilitate a culture of public service and accountability amongst staff and taking measures to prevent corruption. The municipality is obligated to perform these duties as far as possible, considering the capacity and the available budget.

# Chapter 3

The Municipality has approved and (partially) implemented its Delegations System – “Delegation of Authority and Accountability By-Law” – that seeks to decentralize and democratize decision-making within the institution, and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances. In line with the delegations’ system, some decision-making powers have been cascaded from Council to the Executive Mayor, Mayoral Committee, its Portfolio Committees and the full-time Councillors. Other powers have been delegated to the Municipal Manager and Directors.

Internal audit’s role is primarily one of providing independent assurance over the internal controls of the council. It contributes to quality services to our communities in terms of providing checks and balances in the services rendered.

The Municipality established the in-house Internal Audit unit in December 2008 and still functional. The unit is thus far staffed with five officials out of 8 posts. With the assistance of the Internal audit the below audit opinions were achieved

T2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The municipal Structures Act defines a municipality among other as a structure with political office bearers and administration components; a geographic area and the community of the municipality.

The Mopani District Council comprises of the political and administrative components responsible for decision-making and implementation. The Executive Mayor, the Speaker and the Chief Whip head the political component of the municipality. The Council had 50 members. There were 30 Traditional Authorities in Mopani District and each of the Local municipalities has at least one representative of Traditional leaders in the District Council.

T2.1.0

## AUDIT COMMITTEE ANNUAL REPORT 2017/18

# Chapter 3

## AUDIT COMMITTEE ANNUAL REPORT 2017/18

We are pleased to present our report for the financial year ended 30 June 2018.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has reviewed and adopted appropriate formal terms of reference as its Audit Committee Charter, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below is supposed to meet at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises. For the Financial Year 2017/18 the Audit Committee managed to fulfil its obligations. The meetings were held as follows:

Name of Member	Number of meetings attended
<b>Outgone Audit Committee Members since 31 March 2018</b>	
Dr HN Manzini (former chairperson)	2
Mr TG Nevhutalu	7
Ms FJ Mudau	7
Mr HG Hlomane	7
Adv. SST Khulong	7
<b>Current Audit Committee Members from 1<sup>st</sup> April 2018</b>	
Mr. TC Modipane (chairperson)	5
Mr. SAB Ngobeni	5
Mr. TG Nevhutalo	5
Ms. JM Mabuza	5

### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the municipality revealed certain weaknesses, which were then raised with the municipality.

There was no serious improvement in the system of internal control of the municipality to reduce adverse issues raised from previous year. There were several deficiencies in the system of internal control and or deviations that were reported by the internal auditors and the Auditor-General. In most instances, the matters

# Chapter 3

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reported previously have not been fully and satisfactorily addressed. During the year under review there was no proper implementation of action plans to address issues raised by internal auditors or Auditor General.

## **In-Year Management and Monthly/Quarterly Report**

The Audit Committee is not satisfied with quality of monthly and quarterly reporting system to Council as required by the Municipal Finance Management Act (MFMA). There were incomplete, inaccurate and inadequate financial reports that were submitted quarterly to council.

## **Performance Management**

The Audit Committee is not further satisfied with the functionality of the performance management system and it appears not to be fully functional. There were incomplete, inaccurate and inadequate financial reports that were submitted quarterly to council.

## **Risk Management**

The Audit Committee is satisfied with the municipality risk management strategy and related policies, however is of the opinion that the implementation of mitigating intervention by management is not effective.

## **Information Technology**

The Audit committee is not satisfied with the effectiveness of municipality information systems.

## **Compliance with laws and regulations**

Some non-compliance with the enabling laws and regulations were revealed by Internal Audit and Auditor General. There is, however, a space for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations is concerned

## **Management Report and Audit Report**

Audit Committee:

- Had an opportunity to discuss the draft management report with Auditor General; and
- Has discussed the draft Audit Report with Auditor General.



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## **Evaluation of Financial Statements**

The Audit Committee:

- Did not have sufficient time to review and discuss the annual financial statements prepared by the municipality before submission to the Auditor-General South Africa for audit as these were submitted late;
- Did not have sufficient to review the municipality's compliance with applicable accounting framework (GRAP), legal and regulatory provisions; and
- The Audit Committee concurs and accepts the conclusion of Auditor General on the Annual Financial Statement and is of an opinion that the Annual financial Statements be accepted and read together with the report of the Auditor General.

## **Evaluation of draft Performance Report**

The Audit Committee:

- Did not have sufficient time to review and discuss the draft annual performance report prepared by the municipality before submission to the Auditor-General South Africa for audit;
- Did not have sufficient time to review the reasons provided by management for material deviations from the planned targets;
- Did not have sufficient time to review the proposed remedial actions provided by management to address the issues of non-achievement of targets; and
- The Audit Committee concurs and accepts the conclusion of the Auditor General on the Annual Performance Report and is of an opinion that the Annual Performance Report be accepted and read together with the Report of Auditor General.

## **Conclusion**

The Audit Committee wishes to acknowledge the cooperation and commitment of the Council, management and staff of the municipality. We would also like to thank the Executive Mayor for her support, and Councillors together with senior management for their efforts and internal audit for their contribution.

**Mr. TC Modipane**  
**Chairperson of the Audit Committee**  
**Mopani District Municipality**

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# Chapter 3

## **Municipal Public Accounts Committee:**

The Municipal Public Accounts Committee (MPAC), heard evidence on and considered the contents of the Annual Report and the Report of the Auditor-General on the 2017/2018 annual financial statements of the municipality. The Committee noted the disclaimer audit opinion, highlighted areas which required urgent attention of the Accounting Officer and Council

### **MPAC Members**

Chairperson: Cllr Modjadji GH

Cllr Zitha T.C

Cllr Nkhwashu M. C

Cllr Rapatsa K.I.

Cllr Nyakane M.R

Cllr Mushwana D.G

## **2.1 POLITICAL GOVERNANCE**

### **INTRODUCTION TO POLITICAL GOVERNANCE**

The Mopani District Council has established Portfolio Committees in terms of Municipal Structures Act 117 of 1998. These committees recommend policy issues to Council via Mayoral committee. They serve as interface engine rooms between the political and administrative structures of Council. It is in these committees where policy issues are debated thoroughly prior to their submission to the Mayoral Committee that, in turn, consider and forward them to Council for adoption. Through Portfolio Committees, Councillors are able to give political direction to the administrative component on the programmes of Council, Portfolio Heads (Councillors) are also responsible for different Clusters, e.g. Economic, Social and Infrastructure and Governance and Administration.

Portfolio Committees and Cluster are depicted underneath:




<b>Name of Committee</b>	<b>Support Department</b>	<b>Cluster</b>
Finance	Finance Directorate	Governance and Admin
Governance & Admin.	Corporate Services	Governance and Admin
Social Services	Community Services	Social and Infrastructure
Strategy, Planning & IDP	Planning & Development	Economic Development
Roads and Transport	Technical Directorate	Social and Infrastructure
Water	Technical Services	Social and Infrastructure
Infrastructure	Technical Services	Social and Infrastructure
Sports, Arts and Culture	Community Services	Social and Infrastructure
Agriculture	Agricultural Services	Social and Infrastructure

The municipality has a total of seven Portfolio Committees and their meetings are conducted on monthly basis prior to the Mayoral Committee meetings. The attendance in the Portfolio Committee meetings became a


# Chapter 3

serious challenge after the municipality received a circular which explained the need to avoid having members of the Municipal Public Accounts Committee (MPAC) also sitting in different portfolios.

T2.1.1

<p><i>Photos</i></p>  <p>Executive Mayor of Mogale City Municipality Cllr Rakgoale CN</p>	<p><b>EXECUTIVE MAYOR</b> Cllr Nkakareng Rakgoale</p>
 <p>Cllr Sedibeng WD Speaker 073 336 0966</p>	<p><b>SPEAKER</b> Cllr W. Sedibeng</p>
 <p>Cllr Maswanganyi NM Chief Whip 083 741 0117</p>	<p><b>CHIEF WHIP:</b> Cllr Maswanganyi N.M.</p>

# Chapter 3

	<p><b>MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE</b></p> <p><b>MAYORAL COMMITTEE:</b></p> <p>Cllr Baloyi N.N (Governance and Shared Services)</p> <p>Cllr Mokgobi M.L (Sports, Arts and Culture)</p> <p>Cllr Mohale M.C( Planning and Development)</p> <p>Cllr Sefufi M.H ( Transport and Roads)</p> <p>Cllr Zandamela N.H (Water Services)</p> <p>Cllr Mathonsi E.J (Finance)</p> <p>Cllr Maswanganyi M.O (Infrastructure)</p> <p>Cllr Maloko M.L (Agriculture)</p> <p>Cllr SonoN.A (Community Services)</p>
	<p><b>MEMBERS OF MAYORAL COMMITTEE</b></p>  <p>The image shows a grid of 9 portraits of the members of the Mayoral Committee. Each portrait is accompanied by the member's name, their role, and their contact information.</p> <ul style="list-style-type: none"> <li><b>Cllr Baloyi NN</b> MMC Governance and Administration 078 470 5320</li> <li><b>Cllr Mokgobi ML</b> MMC Sports, Arts and Culture 082 907 8325</li> <li><b>Cllr Mohale MC</b> MMC Planning and Development 082 415 8815</li> <li><b>Cllr Sefufi MH</b> MMC Roads and Transport 082 538 8100</li> <li><b>Cllr Zandamela NH</b> MMC Water Services 072 117 7115</li> <li><b>Cllr Mathonsi EJ</b> MMC Finance 083 545 8141</li> <li><b>Cllr Maswanganyi MO</b> MMC Infrastructure 078 500 4855</li> <li><b>Cllr Maloko ML</b> MMC Agriculture 082 901 7138</li> <li><b>Cllr Sono NA</b> MMC Community Services 083 402 9956</li> </ul>
	<p><b>MEMBERS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)</b></p> <p>Cllr Modjadji G.H (Chairperson)</p> <p>Cllr Zitha T.C</p> <p>Cllr Nkhwashu M.C</p> <p>Cllr Rapatsa K.I</p> <p>Cllr Mushwana D.G</p> <p><b>T2.1.1</b></p>

## COUNCILLORS

The Constitution section 151(3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The municipal Structures Act defines a municipality among other as a structure with political office bearers and administration components; a geographic area and the community of the municipality.

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The Mopani District Council comprises of the political and administrative components responsible for decision-making and implementation. The Executive Mayor, the Speaker and the Chief Whip head the political component of the municipality. The Council had 53 members, and 21 of these were proportional representative councillors. There were 10 Traditional Authorities in Mopani District and each of the Local municipalities has at least one representative of Traditional leaders in the District Council.

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A total of nine Mayoral Committee meetings were held and the attendance by members of the Mayoral Committee stood at 100% except in instances where written applications of absence were received.

Functions of the Mayoral Committee and Council	
Area	Detail
Finance	Assist Council in the allocation of resources for service delivery and ensuring accountability and transparency
Governance	Support Council with Human Resources and General administration in terms of coordination of Council programmes
Roads and Public Transport	Provision of road infrastructure and coordination of public transport activities
Water and Sanitation	Ensures that the community have access to clean water and sanitation services
Energy	Assist in the coordination of electricity distribution and any other form of energy
Planning and Development	Assist in the coordination of the development of the IDP, economic development and planning in general
Social Services	Ensures the provision of fire services to communities, coordination of all the social services including HIV / AIDS
<b>Speaker</b>	
Section 37 of Municipal Systems Act	Presides at meetings of Council;
	Ensure that Council meets once quarterly;
	Maintain order during Council meetings;
	And to ensure that Council meetings are conducted in accordance with the Rules of order
<b>Full time Councillors</b>	
	Ensuring that Portfolio Committee meetings are held monthly
	To serve as a communication link between the Executive Mayor and municipal Councillors in the district;
	Assisting the Executive Mayor in coordinating the activities of developing strategic plan for the Municipality
<b>Municipal Manager</b>	
Section 55 of the Municipal Systems Act	Formation and development of an economic, effective, efficient and accountable administration
	Management of the municipal administration

# Chapter 3

Functions of the Mayoral Committee and Council	
Area	Detail
	Implementation of the municipal Integrated Development Plan and monitoring progress
	Management of the provision of services to the local communities in a suitable and equitable manner

T2.1.2

## POLITICAL DECISION-TAKING

### Rights and duties of municipal Council (The Political Component)

The council of a municipality has the right to govern, on its own initiative the local government affairs of our local communities; and to exercise the municipality's executive and legislative authority without interference. Council must respect the rights of citizens in the way in which they exercise their powers.

Council has duties as well as rights that, amongst others include the duties to:

- Exercise their powers and use their resources in the best interests of our communities;
- Provide without favour or prejudice, democratic and accountable government;
- Encourage the participation of the communities;
- Ensure that Municipal Services are provided to the communities in an equitable, financially and environmentally sustainable manner;
- Promote development in the municipality;
- Promote gender equity;
- Promote a safe and healthy environment in the municipality; and
- Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act puts a responsibility on council to consult the local community about Municipal Services. The community has a say in which services are delivered; the quality of services the range and the level of services which are provided.

T2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Mopani District has an administrative component, which helps in carrying the Constitutional mandate, to deliver quality services and to afford local government to be developmental to its constituencies.




The Administrative component has the responsibility towards the communities, which include the following:

- \_ Being responsible for the general administration and accounting of the functionaries of the municipality.
- \_ Being responsive to the needs of local communities.
- \_ Establishing clear channels of communications with all sectors of the society and governance.





# Chapter 3

- \_ informing the local communities about the services, which they are entitled to receive.
- \_ Informing the public of how the municipality is managed.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE		Function
Tier 1		
	Municipal managers: Mr S.R Monakedi	Accounting officer; Managing Internal Audit, IDP  Risk Management; Monitoring and Evaluation and Legal Services
Tier 2		
	Chief financial officer Mr Q Kgatla	Manage Budget and reporting; Revenue Management
	Director: Corporate Services Mr N.G Lebepe	Manage Human Resource; Administration and information Technology.

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	Director: Office Of The Executive LEBE Mr NP Labepe	Manage Public Participation; Municipal Public Accounts (MPAC), Events, Communication Management and Special programmes.
Picture missing 	Director: Planning and Development Mrs F.T Maboya	Manage Local Economic Development, Spatial
Picture missing 	Director: Engineering Services Mr P.J Shilowa	Manage Infrastructure Development, Giyani, Letaba, Ba- Phalaborwa, Maruleng; Tzaneen and Ritavi water satellites, Maintenance and Operations
	Director: Water Services Mr T.E Ralulimi	Manage Infrastructure Maintenance and water supply, Giyani, Letaba, Ba- Phalaborwa, Maruleng; Tzaneen and Ritavi water satellites, Maintenance and Operations
	Director: Community Services Mr D.D Shitlhangu	Manage Disaster Management, Giyani , Phalaborwa, Maruleng, Tzaneen and Letaba Fire Services, Traffic and Spots Arts and Culture



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## Tier 2



Manager: Internal Audit  
Mr F Mphahlele

Manage, Risk based Audit and  
Specialised Audit.

Manager: Project Management Unit (PMU)  
Mr V. Mabunda

Manage Service delivery projects  
both water and sanitation



Manager : Legal Services  
MR R.H. Tshikovhi

Manage Legal Services.

T2.2.2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

Mopani District Municipality is responsible for facilitating inter-governmental relations within its area of intergovernmental engagements to ensure that proper inter-governmental planning guides public, private and jurisdiction. In line with the Intergovernmental Relations Framework Act, MDM has taken it upon itself to improve donor investment

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The relationship between the district municipality, the local municipalities and sector departments in Mopani is improving. There are also inter-municipal structures (i.e. District Intergovernmental Forum, Speakers' Forum

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and District Managers' Forum) that discuss and resolve issues cutting across all municipalities and sector departments. There are, however, grey areas in how the hierarchical inter-municipal and inter-governmental structures should cross feed into each other's programmes and be measured in terms of performance. For example, it is still a challenge for MDM to hold any sector department accountable for the non-implementation of projects which are included in the IDP document.

The following are "political" and non-political inter-governmental structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities: T2.3.1

## PROVINCIAL INTERGOVERNMENTAL STRUCTURE

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The following are "political" and non-political inter-governmental structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities:

Key Inter-Governmental Structures		
Intergovernmental structures	Participants	Responsibility
Intergovernmental Forum Premier /Mayors' Forum]	Premier/ Mayors, Heads of Departments and Municipal Managers	Co-ordination of inter- governmental relations (Provincial and Local Government)
District Intergovernmental Forum [Mayors' Forum]	Executive Mayor, Mayors, Traditional Leaders and Municipal Managers	Co-ordination of inter-municipal relations (District and Local Municipalities)
District Speaker's Forum	Speakers, Municipal Managers.	Co-ordinate public participation processes in the municipalities
District Ward Committee forum	District Speaker, representatives of Ward committees	Inputs in the IDP and its implementation
NON-POLITICAL STRUCTURES		
District Managers' Forum	Sector Departments' District Managers Municipal Managers Municipal Senior Managers (Directors)	Co-ordinate inter-governmental relations at district level between municipalities and sector departments
Clusters	Councillors Municipal Managers	Co-ordinate policy issues affecting government at a

# Chapter 3

Key Inter-Governmental Structures		
Intergovernmental structures	Participants	Responsibility
	Municipal Senior Managers (Directors)	district level (between sector departments and municipalities)
Technical Committees of Clusters	Sector Department Officials Municipal Senior Managers (Directors) Municipal Officials	Provide inter-governmental inputs into the work of Clusters
Provincial Planners Forum	Sector Departmental Planners IDP Managers Spatial Planners Town Planners	Provide for a coherent inter-governmental planning framework and alignment and integration of development plans in the province
District Development Planning Forum	Sector Depts, SOEs, MDM and LMs	Alignment in the IDP planning process, T2.3.3

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality has no entities

**Appendix D.**

## DISTRICT INTERGOVERNMENTAL STRUCTURES

The relationship between the district municipality, the local municipalities and sector departments in Mopani is improving. There are also inter-municipal structures (i.e. District Intergovernmental Forum, Speakers' Forum and District Managers' Forum) that discuss and resolve issues cutting across all municipalities and sector departments. All Municipalities have their different Councils which take decisions affecting each municipality. But through these different layers of interactions, Municipalities find the opportunity of working together, planning together.

T2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATIONPAT TWALA

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

One of the Objectives of Local Government captured in section 152 of the Constitution is to encourage the involvement of communities and community organizations in the matters of local government. The white paper on local government expects the municipalities to be working with citizens and groups within the community to

# Chapter 3

find sustainable ways to meet their economic, social and material needs and improve the quality of their lives. Therefore the municipality is using a number of ways and systems to involve communities and improve governance.

Over and above the formal structure of MDM, the following are in place:

☐ Anti-corruption Strategy in place as enabler to deal with eradication of corruption.

☐ Risk Management Strategy in place: the unit is currently staffed with one person, namely the Chief Risk Officer and the Risk Officer position is still vacant.

☐ Financial control systems: Supply Chain Management, Audit committee, MPAC and financial policies are in place.

☐ HR policies are in place and some under review process.

☐ Program of meetings of House of Traditional leaders with Executive Mayor discussing issues of mutual interest.

☐ IDP Representative Forum to afford community involvement in issues of governance through IDP process.

☐ Communication forum: to communicate programmes and governance of the District to communities and employees.

☐ District Development Planning forum: An avenue for integration of Local municipalities and sector Departments (National and Provincial).

☐ District Managers' forum: Municipal Managers of District and Local municipalities, parastatals and District Managers of sector depts.

☐ Mayors' intergovernmental forum: Mayors of both District and Local municipalities meet quarterly to track progress on service delivery.

☐ Disaster Management unit that is linked to the office of the Municipal Manager for prompt response to disasters whenever they occur.

☐ Forums linking communities with formal structures of municipality (e.g. LED, Business, Energy, Health, Gender, Sanitation, Disability, etc.).

**The office of the Speaker is responsible for the following programmes and they are budgeted for annually:**

☐ Public participation: The platform that affords communities to raise issues of concern directly to the political leadership for effective response. There is also hotline for the Executive Mayor to assist at any given time when members of communities or anyone need his assistance.

☐ Imbizos

☐ District Ward Committees forum (five representatives from each Local Municipality)

☐ Speakers' forum.

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Local Government Key Performance Areas	MDM Structures that involve members of communities in matters of governance
Transformation and Organisational Development	MPAC, Audit committee, Disability forum, Gender forum, Youth Council, House of Traditional leaders with Exec. Mayor; anti-corruption forum, Communication forum, Children' Advisory council, Men's forum, Council for the aged
Basic services	Water and Sanitation forum, Transport forum, Energy forum, Health Council, AIDS Council, Education forum, Sport and recreation council, Arts and Culture council, Environmental Management advisory forum, Heritage forum, Moral Regeneration Movement
Local Economic Development	LED Forum, Business forum
Financial Viability	Budget Steering committee (officials and Councilors)
Good Governance and Public participation	District Ward Committees forum, IDP Representative forum, Mayors' intergovernmental forum, Speakers forum
T 2.4.0	

## 2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS	
The municipality has the following interactive mediums with the community	
<ul style="list-style-type: none"> <li>Quarterly newsletters</li> <li>Mopani district Municipality website: <a href="http://www.mopani.gov.za">www.mopani.gov.za</a></li> <li>Complaints register</li> <li>Presidential and Premiers 's hotline</li> </ul>	T2.4.1

WARD COMMITTEES
The District has no wards, wards belong to the Local municipalities. The municipality has a unit within the Office of the Executive Mayor a unit responsible for Public Participation, for communities to be awarded an opportunity to contribute to the development of the District. In order to provide support and effective

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engagement at grass-roots level the District established District Ward Committees forum, made up of 25 members, that is, five representatives from each local municipality. The District Speaker is responsible for coordination of the activities of the forum. Meetings of the District Ward Committees forum are often held concurrently with the Speakers' forum and are chaired by the District Speaker. Further support is provided in the form of funding the accommodation, venues, catering and traveling to the meetings. Workshops are also held to capacitate members with information and affording them opportunity to have a say in matters of District governance as well as service delivery issues.

The forum creates an appreciable platform for the communities to be able to understand the functioning of government and participate effectively in the strategic issues of municipalities. It is the base for building a better stakeholder capacity through programmes of Public participation. It is also a mode to entrench democracy to ordinary members of communities. Again, the District as local government is able to relate better with communities, thus transforming the notion of "local authority" into "local governance", especially on services that are solely provided in terms of the District powers and functions. Every phase of the IDP process was presented to this forum for information and inputs.

T2.4.2

Public Meetings					
Nature and purpose of meeting	Date of events	Number of participating Municipal Councilors	Number of participating Municipal administrators	Number of community members attending	Dates and manner of feedback given to community
IDP and Budget Public Participation	25 April 2018	52	25	122	16-17 August 2018. Ward Committee Conference
IDP and Budget Public Participation	11 May 2018	51	14	1745	16-17 August 2018. Ward Committee Conference
IDP and Budget Public Participation	15 May 2018	48	14	1920	16-17 August 2018. Ward Committee Conference
IDP and Budget Public Participation	16 May 2018	49	13	1092	16-17 August 2018. Ward Committee Conference
IDP and Budget Public Participation	17 May 2018	50	13	1520	16-17 August 2018. Ward Committee Conference
Mayoral Imbizo	10 August	33	5	560	16-17 August

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/Stakeholders Consultative meeting	2017				2018. Ward Committee Conference
Mayoral Imbizo /Stakeholders Consultative meeting	19 February 2018	45	8	380	16-17 August 2018. Ward Committee Conference
Mayoral Imbizo /Stakeholders Consultative meeting	20 September 2017	45	6	78	16-17 August 2018. Ward Committee Conference
Mayoral Imbizo /Stakeholders Consultative meeting	08 December 2017	49	10	440	16-17 August 2018. Ward Committee Conference
<b>T2.4.3</b>					

### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The District has no wards, wards belong to the Local municipalities. The municipality has a unit within the Office of the Executive Mayor a unit responsible for Public Participation, for communities to be awarded an opportunity to contribute to the development of the District. In order to provide support and effective engagement at grass-roots level the District established District Ward Committees forum, made up of 25 members, that is, five representatives from each local municipality. The District Speaker is responsible for coordination of the activities of the forum. Meetings of the District Ward Committees forum are often held concurrently with the Speakers' forum and are chaired by the District Speaker. Further support is provided in the form of funding the accommodation, venues, catering and traveling to the meetings. Workshops are also held to capacitate members with information and affording them opportunity to have a say in matters of District governance as well as service delivery issues.

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The municipality has the following interactive mediums with the community

- Quarterly newsletters
- Mopani district Municipality website: [www.mopani.gov.za](http://www.mopani.gov.za)

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- Complaints register
- Presidential and Premiers 's hotline

T2.4.3.1

## 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?	No
Are the above aligned and can they calculate into a score?	No
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	

T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

*“Good corporate governance can be equated to having clear corporate values which are stated and enacted, and ensure that the company is governed in a way that is efficient, responsible, accountable, transparent and with probity. It furthermore, recognises the legitimacy of interest of defined key*



# Chapter 3

*stakeholders, and engaging in long-term relationships.” (The King Report on Corporate Governance for South Africa, 2002).*

Principles of co-operative government and intergovernmental relations is that All spheres of government and all organs of state within each sphere must

- a. preserve the peace, national unity and the indivisibility of the Republic;
- b. secure the well-being of the people of the Republic;
- c. provide effective, transparent, accountable and coherent government for the Republic as a whole;
- d. be loyal to the Constitution, the Republic and its people;
- e. respect the constitutional status, institutions, powers and functions of government in the other spheres;
- f. not assume any power or function except those conferred on them in terms of the Constitution;
- g. exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
- h. co-operate with one another in mutual trust and good faith by
  - i. fostering friendly relations;
  - ii. assisting and supporting one another;
  - iii. informing one another of, and consulting one another on, matters of common interest;
  - iv. co-ordinating their actions and legislation with one another;
  - v. adhering to agreed procedures; and
  - vi. avoiding legal proceedings against one another.

In the municipal environment, corporate governance is all about how municipalities set their priorities (as per the IDP), conduct their business (through the performance management system and the SDBIP process), and relate to the community they serve (as per the IDP and performance management system). The Tripod Integrated Management System© ensures co-ordinated planning and development in the district. Data is collected, monitored, evaluated, assessed, audited and reported on, for informed decision-making and better service delivery - in other words, for better corporate governance.

T2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

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MFMA section 62(1)(c)(i) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The Chief Risk Officer as the head of risk management is responsible for co-ordinating, facilitating the risk management within the entire organisation as well as providing expertise on risk issues. Furthermore, she partly performs the functions of security management. The Risk Management unit has assisted management to identify and evaluate the effectiveness of council's risk management system and contribute to the improvement of risk management and control systems. That has been done by taking the identified risks, categorizing them into low, medium and high risks for management to develop actions for mitigation.

T2.6.1

	Strategic Objective	Risk Description	Root Cause	Consequences	Current Control	Risk Owner
1	To inculcate entrepreneurial and Intellectual capabilities.	Demotivated workforce.	Lack of training. Skills mismatched. Lack of resources. Delays in filling of vacant position. No incentive for recognition. No system of delegation.	Poor performance. Low morale. Poor Service delivery. Litigations.	Works kills plan in place. Performance agreements. Draft PMS policy.	Senior Manager Corporate Services
2	To strengthen record keeping & knowledge management.	Loss of information	Poor Archiving Poor record keeping Lack of succession plan	Negative audit opinion Litigations No value for money Institutional instability	IT systems in place Record management policy in place Storeroom back up Online reporting system	Senior Manager Corporate Services
3	To accelerate sustainable infrastructure and maintenance in all sectors of development.	Insufficient water provision	Lack of Water maintenance plan Lack of replacement program Ageing water infrastructure. Unmetered reservoirs Illegal water connections	Poor service delivery Community protest High maintenance and replacement costs Highest standing time High water losses Reduced capacity to deliver service.	Draft master plan  Approved service standards  Rapid response team	Senior Manager Water Services
4	To strengthen sustainable infrastructure and maintenance in all sector of development.	Illegal water connections	Uncoordinated developments/human settlements Inadequate water infrastructure network High backlog Uncoordinated plan	Loss of income  High replacement costs	Bi-laws in place  Water services Act  Water service standards	Senior Manager Water Services

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5	To promote democracy and sound governance.	Ineffective IGFR structures	Non participation by stakeholders Poor coordination Lack of information sharing No enforcement on performance indicators.	Duplication of functions Non alignment of projects/plans	IGR structure IGR framework IDP/Budget process	Senior Manager Office of the Executive Mayor
6	To improve community safety, health and social wellbeing.	Outbreak of communicable diseases	Unhealthy living environment (Air pollution, Unsafe water) Natural disasters Poor integration on health matters	Loss of life  Ill health	Disaster management plan in place Outbreak response team RIMS Environmental management tools Bi-laws on Environmental health	Senior Manager Community Services
7	To increase revenue generation and implement financial control systems.	Inability to collect revenue.	None compliance with Water Service Level agreement by local municipality. Shortage of staff in the local municipality to work on water related transactions. None implementation of Credit control and Debt collection policy. Lack of collection of budgeted revenue.	Loss of revenue. Poor revenue collection. Non-compliance with legislations. Negative audit outcome.	Service Level Agreement with Local Municipalities.  Credit Control and Revenue control policy.	Chief Financial Officer
8	To promote efficient, effective, economic, sustainable and integrated use of land.	Sporadic land invasion	Informal land allocation by land owners Land invasion	Unsustainable development/ use of land	Implementation of SPLUMA, SDF, LUS, awareness workshops	Senior Manager Planning Development
			Lack of township establishment programs	Incompatible land uses Increased service delivery backlog Occupation of flood plains or disaster prone land Environmental degradation (global warming, destruction of ecosystem) Economic inefficiency on the use of land.		

# Chapter 3

9	To promote economic sectors of the district.	Uncoordinated strict development programmes.	Uncoordinated District Economic Development programs.  No relationship between the municipality, departments and other agencies.	High unemployment rate.  Food shortage. Poverty.  Loss of trade investment.	LED Strategy and Tourism Strategy.	Senior Manager Planning Development
10	Promoting democracy and sound governance.	Delay in the completion of projects.	Incomplete projects  Termination of projects	Community dissatisfaction that will lead to protest.	Public Participation Programmes.	Senior Manager Engineering Services
			Community unrests.	Poor Service Delivery.		
			None implementation of public participation programmes.	Damage to municipal properties.		
			Lack on monitoring tool on issues raised by community.			
			Environmental reports on service delivery not addressed.			

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Mopani, like most institutions does experience corruption which requires corrective measures for the creation of sound administration of the institution.

The municipality has implemented its Anti-corruption and Fraud Prevention strategy and the results are beginning to show up.

Details of the developed anti-corruption strategy are briefly related below.

#### PURPOSE OF THE STRATEGY

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- ▶ Encouraging a culture within MDM where all employees, the public and other stakeholders continuously behave with, and promote integrity in their dealings with, or on behalf of the municipality.
- ▶ Improving accountability, efficiency and effective administration within MDM including decision-making and management conduct which promotes integrity.
- ▶ Development of anti-corruption capacity within the municipality.
- ▶ Improving the application of systems, policies, procedures, rules and regulations within the municipality.
- ▶ Changing aspects within MDM that undermine institutional integrity and facilitate unethical conduct, fraud and corruption and allow these to go unnoticed or unreported.
- ▶ Encourage all employees and other stakeholders to strive toward the promotion of integrity and for the prevention and detection of unethical conduct, fraud and corruption impacting, or having the potential to impact on the municipality.

## PRINCIPLES OF THE STRATEGY

Mopani District Municipality Anti-corruption Strategy is informed by the following principles to root out corruption:

- ▶ The need for a holistic and integrated approach to fighting corruption, with a balanced mixture of prevention, investigation, prosecution and public participation as the platform for the strategy.
- ▶ District tailor-made strategies are required that operate independently but complimentary to provincial and national strategies, particularly with regard to detection, investigation, prosecution and adjudication of acts of corruption, as well as the recovery of the proceeds of corruption.
- ▶ Acts of corruption are regarded as criminal acts and these acts can be dealt with either in the administrative or criminal justice system or both if need be. All aspects of the strategy are:
  - ▶ Supported with comprehensive education, training and awareness.
  - ▶ Coordinated within the district municipality.
  - ▶ Subjected to continuous risk assessment.

The following structures are in place to curb corruption in Mopani District:

- ▶ Audit committee: They have capacity to detect corruption acts through reports.
- ▶ Portfolio committees: They monitor and also provide political inputs at the planning stage of municipal programmes.
- ▶ Internal Audit unit: Promote professional ethics among employees.

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

# Chapter 3

T2.8.1

By-laws introduced during 17/18					
Newly Developed	Revised	Public Participation conducted prior to adoption of By-Laws (Yes/no)	Dates of Public Participation	By-Laws gazette (yes/no)	Date of Publication
	Water Services	No	Not yet	Not yet	Not yet
	Food handing and food vending	No	Not yet	Not yet	Not yet
	Debt Collection	No	Not yet	Not yet	Not yet
	Emergency	No	Not yet	Not yet	Not yet
Waste Management	Not yet	No	Not yet	Not yet	Not yet
Air Quality	Not yet	No	Not yet	Not yet	Not yet
	Water Services	No	Not yet	Not yet	Not yet
T2.9.1					

## COMMENT ON BY-LAWS:

Only two by-laws were developed and 5 were revised and unfortunately none of them were tabled for public participation and council structures due to other processes to be followed. The development, revision and tabling of by-laws is as per the MSA 2000 S11 (3) (m) that provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

T2.9.1.1

## 2.10 WEBSITES

Municipal website: content and currency of material		
Documents published on the municipality's /entity's website	Yes/No	Publishing date

# Chapter 3

Current annual and adjustment budgets and all budget related documents	Yes	March
All current budget related policies		May
The previous annual report (2016/17)	Yes	February
The annual report (2017/18) published / to be published	Yes	February
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	August
All service delivery agreements (2017/18)	Yes	August
All long term borrowing contracts (2017/18)	Yes	
All supply chain management contracts above a prescribed value (give value) for 2017/18	Yes	
An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2011/12	Yes	
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
PPP agreements referred to in section 120 made in 2017/18	No	
All quartely reports tabled in the council in terms of section 52 (d) during 2017/18	Yes	
Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are of course encouraged touse their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments		

T2.10.1

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The website was not functional during the 2017-2018fy.It took almost full financial being reconstructed.

T2.10.1.1

## PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

The Municipality did not conduct a customer satisfaction survey

T2.11.1

Satisfaction Surveys Undertaken during 2016/17 and 2017/18				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				

# Chapter 3

(a) Municipality	N/A	N/A	N/A	N/A
(b) Municipal Service Delivery	N/A	N/A	N/A	N/A
(c) Mayor	N/A	N/A	N/A	N/A
<b>Satisfaction with:</b>	N/A	N/A	N/A	N/A
(a) Refuse Collection		N/A	N/A	N/A
(b) Road Maintenance		N/A	N/A	N/A
(c) Electricity Supply		N/A	N/A	N/A
(d) Water Supply		N/A	N/A	N/A
(e) Sanitation		N/A	N/A	N/A
(f) Information supplied by municipality to the public		N/A	N/A	N/A
(g) Opportunities for consultation on municipal affairs		N/A	N/A	N/A
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T2.11.2

The community satisfaction survey was never conducted

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

The community satisfaction survey was never conducted

T2.11.2.2



# Chapter 3

# Chapter 3

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

### INTRODUCTION

The Mopani District Municipality `s performance is based on the development priorities as in the IDP, the municipal key performance areas, strategic objectives and indicators in the IDP The Municipal Performance is calculated from all the indicators and projects applicable to the municipality as measured through its performance management system. The indicators and projects are collected into scorecards for General Indicators, Indicators contained in the IDP for 17/18 and SDBIP.

The performance of the Key performance areas is as below:

T3.0.1

<All> (SDBIP Key Performance Areas)	Sep 17	Dec 17	Mar 18	Jun 18	Annual Performance of the Key Performance Areas
	AVG	AVG	AVG	AVG	Annual Average Performance
Good Governance and Public Participation	2.94	2.02	3.33	3.31	3.28
Financial Viability	2.10	2.68	2.51	2.51	2.50
Basic Service Delivery	2.01	2.13	2.37	2.27	2.04
Municipal Transformation and Organisational Development	2.26	3.01	3.02	3.02	3.10
Local Economic Development	4.01	3.49	4.24	4.24	4.52
Spatial Rationale	2.50	1.50	2.24	2.24	1.94

### 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

# Chapter 3

The success of local economic development is tied to the provision of basic and other types of infrastructure services to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have 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. The provision of adequate municipal infrastructure remains a challenge throughout the district.

T3.1.0

## .1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Mopani District Municipality is a Water Services Authority for the whole District area and all its Local Municipalities have Water Service Provider (WSP) Agreements in place. The surface water in urban areas and rural areas are served through boreholes. MDM lies within and is benefitting from the following water catchment areas: Groot Letaba for GLM & GTM, Olifant for MLM & BPM and Klein Letaba for Giyani.

The Mopani district is characterized by low rainfall, especially in the lower-lying areas of the district, namely, Greater Giyani and Ba-Phalaborwa. This results in limited water resources culminating in severe water shortages and regular drought conditions. Subsequently, there is stiff competition between the different water users such as agriculture, mining and forestry. To this end, water use for domestic purposes becomes critical. The main surface water resources for Mopani district are Letaba River catchment and all its tributaries. There is a huge potential for usage of borehole water as an augmentation to the surface water resources.

There are over 20 (small and large) dams in the district with 9 being used for primary consumption (domestic, industrial and commercial) and most of the other dams are used for irrigation purposes. Some private small dams also exist and are used for irrigation purpose as well. The total yield from the dams for primary usage is 273 million m<sup>3</sup> per annum. The agricultural sector uses the greatest portion of the available yield in the district, which is estimated at 70%, leaving 30 % for the other water users.

Bulk water supply in Mopani is characterised by numerous surface water schemes in various stages of full development to all consumer points. Water supply scheme clusters are well defined and the service area boundaries are well established. Major upgrading and refurbishment are needed at most localities. The Middle Letaba Sub Scheme area and Modjadji areas are in need of extensions to the existing bulk supply systems. In general, Mopani District is well provided with bulk water supply infrastructure. However, the reason why the supply of water is below the RDP level (25 litres per person per day) is the shortage of pipeline reticulation within villages. MDM gets bulk water from the Lepelle Northern Water Board, treat the water and channel that to reservoirs in villages/ settlements in the five local municipalities. Local municipalities are responsible for reticulation in villages. MDM operates 21 water schemes, 62 pump stations, 19 water treatment works, over 1400km min pipelines, over 500 reservoirs and thousands of boreholes. Further analysis of water sources is depicted in the following table, with numbers of households benefitting

# Chapter 3

Ba-Phalaborwa municipality has adequate reticulation system, followed by Greater Tzaneen Municipality, Greater Letaba Municipality and then Greater Giyani Municipality. The limited availability of infrastructure in Greater Giyani is attributed to the fact that the villages in the Greater Giyani area are spatially scattered, resulting in difficult and expensive processes to provide water supply pipelines in the villages. It is also deduced that the major factor contributing to shortage of water is related to social aspects. These aspects are mainly vandalism of infrastructure, especially communal boreholes, lack of willingness from the consumers to pay for their water services and illegal (unauthorized) connections of pipelines by communities. These problems are usually prevalent in rural areas than urban areas. Over-usage of water is generally observed in most of the areas, amounting to more than 150 litres per person per day in both towns and villages. Communities are yet to do more to save the already scarce water.

The majority of households in Ba-Phalaborwa (77, 3%) have access to RDP standard water, Greater Tzaneen at 53, 6%, Greater Letaba at 60, 7%, Greater Giyani at 57,3% and Maruleng the lowest at 49,9%. However, taking a look at the households access to the various sources of water per local municipality as a percentage of the district, it becomes clear that the level of services are higher in Ba-Phalaborwa with 35, 3% of the households within the district with access to water inside their dwellings, especially when taking into consideration that only 12, 9% of the households in the district reside in Ba-Phalaborwa. The smaller population and the absence of many scattered villages in Ba-Phalaborwa, compared to e.g. Greater Giyani, probably contributed to this.

All municipalities in the district are providing free basic water to some extent (6000 litres per household per month) with almost none providing free basic waste removal. To eradicate the water backlog, Mopani district as the water services authority has prioritized water services as the first service among all the other services. The Department of Water Affairs (DWA) have completed the establishment/ construction of the N'wamitwa Dam and the raising of the wall of the Tzaneen Dam to address the water shortage problem in the district.

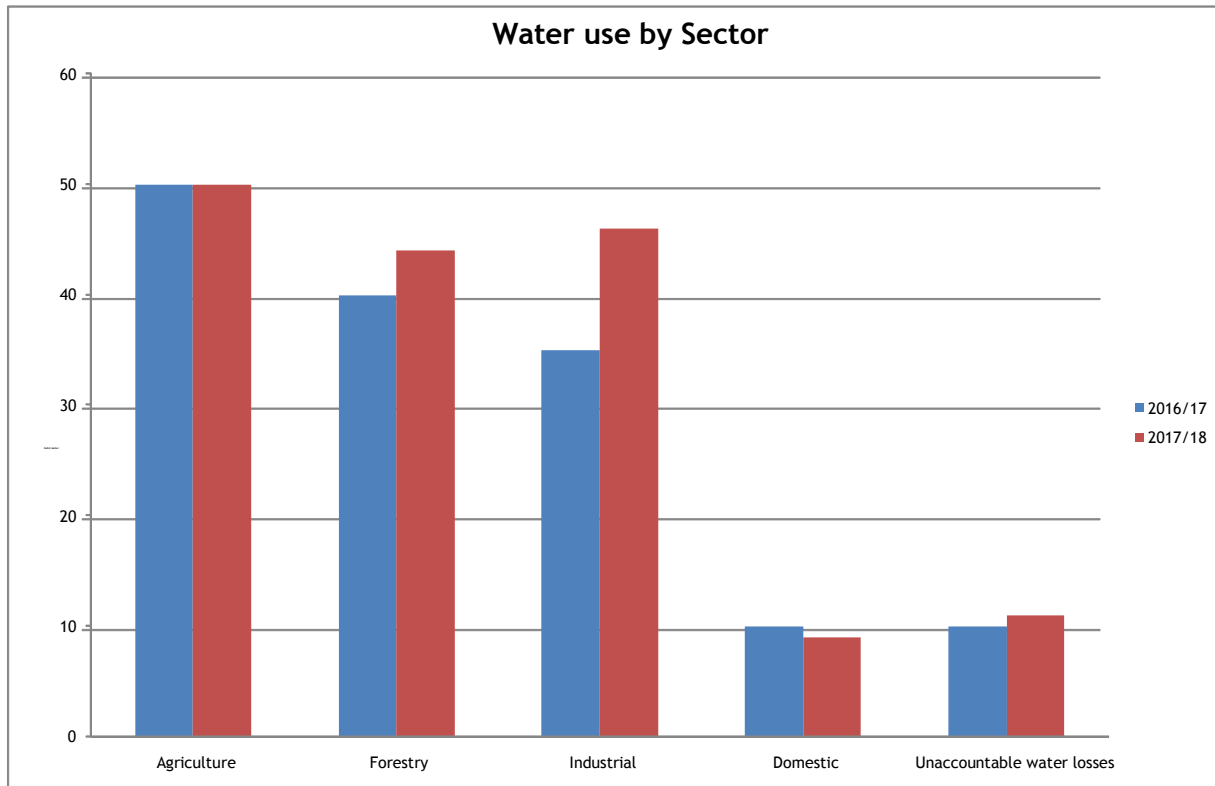
T3.1.1

Source :IDP 17/18

Total use of water by sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
<b>2016/17</b>	49 800	40 000	22 224	10 000	11 000
<b>2017/18</b>	51 200	44 830	26 380	15 000	16 000

T3.1.2

# Chapter 3



## COMMENT ON WATER USE BY SECTOR:

MDM contributes to the economy by providing water supply to three sectors of the economy namely; Agriculture, Forestry, Industries and for domestic use. The water use by the Agriculture sector for 2016/17 and 2017/18 remains relatively the same. Use in the Forestry and Industrial sector has increased in 2017/18 when compared to 2016/17. Water supply for domestic use has also increased in 2017/18 compared to 2016/17. The increase in usage is as a result of increased access to water supply through completed infrastructure projects, refurbishment and drilling of boreholes in areas experiencing shortages in water supply.

T3.1.2.2

Households				
Description	2014/15	2015/16	2016/17	2017/18
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
<i>Piped water inside dwelling</i>	49 923	51 674	51 674	52 966
<i>Piped water inside yard (but not dwelling)</i>	99 434	72 754	72 754	74 572
<i>Using public tap (stand pipes)</i>	57 534	109 341	109 341	91 898

# Chapter 3

Other water supply (within 200m)	0	29 218	29 218	29 948
Minimum service level and above sub-total	206 891	262 987	262 987	249 384
Minimum service level and above percentage	<b>72%</b>	<b>100%</b>	<b>100%</b>	<b>84.16%</b>
Water; (below min level)				
Using public tap (more than 200m from dwelling)	33 773			
Other water supply (more than 200m from dwelling)	46 935			
No water supply			2 303	36 921
Below minimum service level sub-total	80 708		2 303	10 014
Below minimum service level percentage	28%		1%	15.84%
<b>Total number of households*</b>	<b>287 599</b>	<b>262 987</b>	<b>265 290</b>	<b>296 319</b>
<b>To include informal settlements</b>				
<b>T3.1.3</b>				

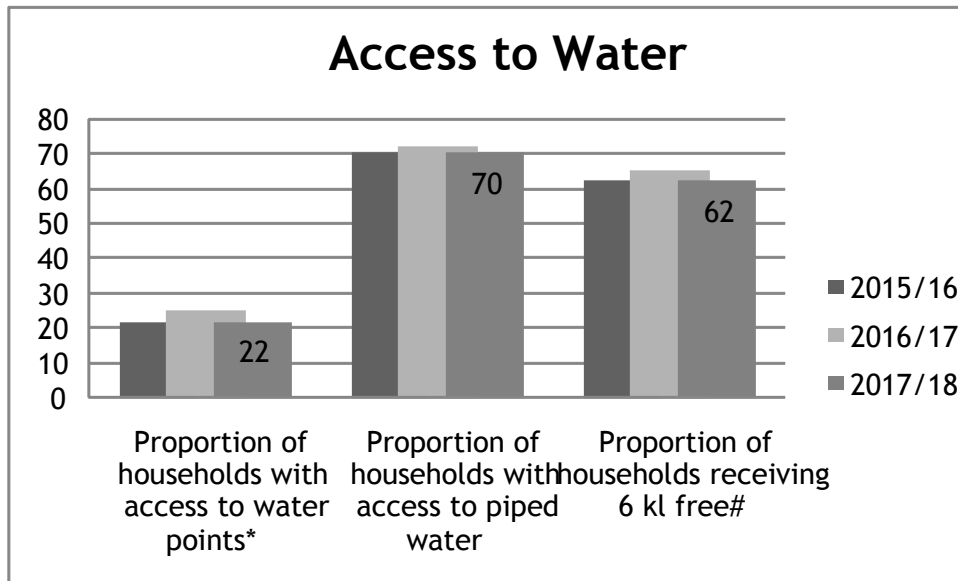
APR17/18

The wording “within/more 200m from dwelling” be replaced with “stand pipes” as it challenging to measure.

Households – water service delivery levels below the minimum						
Description	2014/15	2015/16	2016/17	2017/18		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>	<b>262 987</b>	<b>265 290</b>	<b>265 290</b>	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>
Total households	262 987	265 290	265 290	249 319	249 319	249 319
Households below minimum service level	206 891	265 290	265 290	249 384	249 384	249 384
Proportion of households below minimum service level						
<b>Informal Settlements</b>						
Total households	80 708	0	0	46 935	46 935	46 935
Households below minimum service level	80 708	0	0			
Proportion of households below minimum service level				46 935	46 935	46 935
<b>T3.1.4</b>						

APR 17/18, Mtef 17/18

# Chapter 3



\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

# 6,000 liters of potable water supplied per formal connection per month

T3.1.5

Water service policy objectives taken from IDP									
Service Objectives  Service indicators (i)	Outline service targets  (ii)	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	*current year (viii)	Target	
		*previous year (iii)	(iv)	*previous year (v)	*current year (vi)	(vii)		*current Year (ix)	*following year (x)
Service objectives									
Water Provision	Additional households provided with minimum water supply during the year (No. of HH) without supply at year end)	5000	20344	20 344	1 627	21 971	10400	32 371	34 967
Improve reliability of water supply	Reduce the number of interruptions in supply of one hour or more compared to the baseline of 2017/18	80%	82%	80%	75%	78%	84%	88%	93%
Improve water conservation	Reduce unaccountable water levels compared to the baseline of 2017/18 (16000 kilolitres (Kls) unaccounted for during the year	9 000	11 500	13 000	15 000	15000	11 000	9 000	7500

T3.1.6

APR 17/18

Employees; Water Services		
Job Level	2016/17	2017/18

# Chapter 3

	Employees No.	Posts No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %
0-3	2	2	3	1	0.33
4-6	20	10	31	10	0.32
7-9	32	21	62	17	0.27
10-12	36	22	140	25	0.18
13-15	201	75	152	54	0.36
16-18	131	83		0	0
19-20	0	0	0	0	0
<b>Total</b>	<b>422</b>	<b>213</b>	<b>388</b>	<b>107</b>	<b>0.28</b>
<b>T3.1.7</b>					

## Organisational structure 17/18

A narrative providing information on the staff critical to service delivery and shortage hereof to accompany the above table on all municipal services. Municipalities should report for employees where cost centers are allocated.

Financial Performance 2017/18; Water services					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	648 475	451 295	544 808	593 667	-48 859
Expenditure;	107 977	115 912	121 049	115 899	5 150
Employees	56 911	650	101 024	38 288	62 736
Repairs and Maintenance	483 587	334 733	322 735	439 480	-116 745
Other	648 475	451 295	544 808	593 667	-48 859
Total operational expenditure	648 475	451 295	544 808	593 667	-48 859
Net operational (service) expenditure	107 977	115 912	121 049	115 899	5 150
Net expenditure to be consistent with summary table T5.1.2 in chapter5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
<b>T3.1.8</b>					

Mtef 17/18

Capital Expenditure 2017/18 Water services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	-	4 040	-	4 040	4 040
Vehicle- Water Services	-	4 040	-	4 040	4 040
Project B					
Project C					
Project D					
<b>T3.1.9</b>					

Mtef 17/18

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

In the 2017/18 financial year, MDM has managed to connect more than 10400 new households to the water system. Previously the households had to fetch water from a distance over 200m from their households.

**T3.1.10**



# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Provide brief introductory comments on your strategy for the provision of Sanitation Services and progress being to redress any shortfall in basic standards of service provision by 2012 and with particular reference to progress made in 2017/18 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Indicate how your municipality identifies and responds to those communities that are living in poverty and are deficient in this basic service. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Sanitation Services within the municipality. Comment on trends in Sanitation provision as reflected below and on more specific issues concerning Sanitation Service and demand as appropriate.

T3.2.1

Sanitation Service Delivery Levels				
Description	2014/15	2015/16	2016/17	Households 2017/18
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b>Sanitation/sewerage; (above minimum level)</b>	60 516	60 516	60 516	60 516
Flush toilet (connected to sewerage)				
Flush toilet (with septic tank)				
Chemical toilet				
Pit toilet (ventilated)	187 168	188 968	188 968	188 868
Other toilet provisions (above min. service level)				
Minimum service level and above sub-total	247 684	249 384	249 384	249 284
Minimum service level and above percentage	83.6%	84%	84%	84%
<b>Sanitation/sewerage; (below minimum level)</b>				
Bucket toilet	48 635	46 935	46 935	46 935
Other toilet provisions (below min service level)				
No toilet provisions				
Below Minimum service level sub-total	48 635	46 935	46 935	46 935
Below Minimum service level percentage	16.4%	16%	16%	16%
<b>Total Households</b>	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>	<b>296 319</b>
<b>*total number of households including informal settlements</b>				<b>T3.2.3</b>

Households; Sanitation service delivery levels below the minimum						
Description	2014/15	2015/16	2016/17	Households 2017/18		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual
	No.	No.	No.	No.	No.	No.

# Chapter 3

Formal Settlements	296 319	296 319	296 319	16 700 000	16 700 000	1 075
Total Households						
Households below minimum service level	296 319	296 319	296 319	16 700 000	16 700 000	1 075
Proportion of households below minimum Service level						
Informal Settlements	0	0	0	0	0	0
Total Households	293 319	296 319	296 319	16 700 000	16 700 000	1 075
Households below minimum service level						
Proportion of households below Minimum service level						
T3.2.4						

Waste water (sanitation) service policy objectives taken from IDP									
Service Objectives  <									

Employees: Sanitation Services					
Job Level	2016/17		2017/18		
	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0

# Chapter 3

19-20	0	0	0	0	0
Total	0	0	0	0	0

T3.2.7

Organizational structure 17/18

Financial performance 2017/18; Sanitation Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	34 489	29 474	29 474	23 471	6 003
Expenditure	9 511	8 797	8 797	10 759	-1 962
Employees	10 243	12 366	12 366	5 872	6 494
Repairs and Maintenance	14 734	5 028	5 028	5 540	512
Other	34 489	29 474	29 474	23 471	6 003
Total Operational Expenditure					
Net Operational (service) expenditure	34 489	29 474	29 474	23 471	6 003

T3.2.8

APR 17/18

Capital Expenditure 2017/18; Sanitation Services					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	1 249	1 444	1 055	1 077	-22
Kampersrus Sewer Plant	1 249	1 444	1 055	1 077	-22
Mopani Household Sanitation	1 048	1 403	934	927	7
Lenyenye Sewage Plant	-	-	-	-	-
Total All	201	41	121	120	1

T3.2.9

Mtref 17/18

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

MDM has a total number of 327 466 which equates to 96.2% of the community households which have access to sanitation services, whereas 3.8% has no sanitation services in their communities.

At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T3.2.10

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

# Chapter 3

Energy distribution has important economic development implications with a potential to make a considerable development impact. This impact relates to improved standard of living in which people are able to use electric stoves for cooking, electronic equipment such as TVs, sound systems, lights, etc. It also enable people to establish small businesses such as welding, catering and other mechanical works.

In Mopani, electricity is largely provided by ESKOM. Only two Local municipalities (BPM & GTM) are licensed to provide electricity. The GGM, MLM and GLM are fully dependent on ESKOM. Mopani District Municipality has a role of providing bulk electricity to the local municipalities. However, this function is yet to be fully undertaken. National government in consultation with the South African Local Government Association (SALGA), ESKOM and other stakeholders are engaged in discussions regarding the restructuring of the Electricity Distribution Industry in South Africa with the aim of ensuring that the industry is able to meet the needs of electricity consumers in the country and improve the roll out of electricity.

The four local municipalities in the district have signed the service level agreement with ESKOM for the rolling out of Free Basic Electricity to indigent households in the district. Each poor household is entitled to 50KWh per month. It has been found that most of the people in rural areas and amongst low income households, continue to use a range of energy sources like wood to meet their needs, irrespective of whether their houses are electrified or not. In addition, inefficient energy use compounds poverty: housing without ceilings and a complete lack of accessible information to users on appropriate and efficient energy use condemn poor households to a future of high energy costs.

T3.3.1

Electricity Service Delivery Levels				
Description	2014/15	2015/16	2016/17	Households 2017/18
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min. service level)				
Electricity – prepaid (min. service level)			219	0
Minimum service level and above sub- total				
Minimum service level and above percentage				
Energy: (below minimum level)				
Electricity (< min. service level)				
Electricity – prepaid (<min. service level)				
Other energy sources	–	–	219	0
Below minimum service level sub-total	0.0%	0.0%	0.0%	
Below minimum service level percentage				
Total number of households	0	0	0	0

T3.3.3

IDP 17/18

Households – Electricity service delivery levels below the minimum				
	2014/15	2015/16	2016/17	Households 2017/18

# Chapter 3

[illegible]

Electricity service policy objectives taken from IDP								
Service objectives xxx	Outline service targets	Service Targets			Actual Performance			
		2016/17 Previous year (iii)	2017/18 current year (iv)	2017/18 midyear (v)	2017/18 current year (vi)	2018/19 following year (vii)	2017/18 (viii)	2017/18 (ix)
Service indicators (i)								
Service objective xxx								
Provision of minimum supply of electricity	Proportionate reduction in 2011/17/18 backlog of HH below minimum supply level	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)	T1% reduction in HHs below the 2017/18 baseline levels (a revised backlog of xxxxx HHs)
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
T3.3.5								

# Chapter 3

Employees; Electricity Services					
Job Level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	100%
4-6	0	1	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	1	100%
T3.3.6					

Financial performance 2017/18; Electricity Services					
R`000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	1 249	1 444	1 055	1 077	-22
Expenditure	1 249	1 444	1 055	1 077	-22
Employees	1 048	1 403	934	927	7
Repairs and Maintenance	-	-	-	-	-
Other	201	41	121	120	1
Total Operational Expenditure	1 249	1 444	1 055	1 047	8
Net Operational (service) expenditure	-	-	-	-	-
T3.3.7					

Capital Expenditure 2017/18; Electricity Services					
R`000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.3.8					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Electricity projects were not applicable

# Chapter 3

T3.3.9

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

### INTRODUCTION TO WASTE MANAGEMENT

In the Mopani District, the municipalities are responsible for their own land fill sites

T3.4.1

Solid waste service delivery levels				
Description	2014/15	2015/16	2016/17	households 2017/18
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Solid waste removal: (minimum level)</b>	0	0	0	0
Removed at least once a week				
Minimum service level and above sub-total	0	0	0	0
Minimum service level and above percentage	0	0	0	0
<b>Solid waste removal: (below minimum level)</b>	0	0	0	0
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal	0	0	0	0
No rubbish disposal				
Below minimum service level sub-total	0	0	0	0
Below minimum service level percentage				
<b>Total number of households</b>	0	0	0	0

T3.4.2

IDP17/18

Households: solid waste service delivery levels below the minimum						
Description	2014/2015	2015/16	2016/17	2017/18	2017/18	Households 2017/18
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal settlements</b>						
Total households	0	0	0	0	0	0
Households below minimum service level						

# Chapter 3

Proportion of household below minimum service level						
<b>Informal settlements</b>						
Total households	0	0	0	0	0	0
Households below minimum service level						
Proportion of household below minimum service level						
T3.4.3						

IDP17/18

Waste management service policy objectives taken from IDP									
Service objectives  									

APR 17/18, AR16/17

Employees; solid waste management services					
Job Level	2016/17	2017/18			
	Employee	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	100%
4-6	0	1	1	1	100%
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	2	2		100%
T3.4.5					

Employees; Waste disposal and other services					
Job Level	2016/17	2017/18			
	Employee	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.				



# Chapter 3

		No.	No.	No.	%
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	0	0	0	0	0

T3.7.7

Financial performance 2017/18; solid waste management services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure;	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A

T3.4.7

Financial Performance; 2017/18; waste disposal and other services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure;	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A

T3.4.8

Capital expenditure; 2016/17; waste management services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A

T3.4.9

# Chapter 3

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Capital projects in Waste Management were not applicable

T3.4.10

## .5 HOUSING

### INTRODUCTION TO HOUSING

This component is not applicable in the municipality

T3.5.1

### Percentage of households with access to basic housing

Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Households in informal settlements
2014/15	N/A	N/A	N/A
2015/16	N/A	N/A	N/A
2016/17	N/A	N/A	N/A
2017/18	N/A	N/A	N/A

T3.5.2

### Housing service policy objectives taken from IDP

Service objectives  Service indicators (i)	Outline service targets	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2018/19
		Previous year		Previous year	Current year		Current year	Current year	Followin g year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service objective xxx	Additional houses provided during the year (houses require at year end)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)	Xxxxx additional houses (xxxxx houses require)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

T3.5.3

### employees; Housing services

Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime	Vacancies (as % of

# Chapter 3

	No.	No.	No.	equivalents) No.	total posts) %
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	0	0	0	0	0
					T3.7.7

Financial performance 2016/17; Housing services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by actual					
T3.5.5					

Capital expenditure; 2017/18; Housing services					
R'000					
Capital projects	2017/18				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.5.6					

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Not applicable in the district.

T3.5.7

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

# Chapter 3

## INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Not applicable in the District

T3.6.1

Free basic services to low income households										
	Number of households									
	Total	Households earnings less than R1.100 per month								
		Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
			Access	%	Access	%	Access	%	Access	%
2015/16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016/17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

T3.6.3

Financial performance 2017/18; cost to municipality of free basic services delivered					
Services delivered	2016/17	2017/18			
	Actual	Budget	Adjustment budget	Actual	Variance to budget
Water and sanitation	605	592	534	11.7%	9.8%
Electricity	–	–	–	0.0%	0.0%
Housing	–	–	–	0.0%	0.0%
Roads, Pavements, Bridges and storm water	–	–	–	0.0%	0.0%
Other	36	19		100.0%	100.0%
<b>Total expenditure</b>	<b>1 676</b>	<b>1 616</b>	<b>1 687</b>	<b>-0.7%</b>	<b>-4.4%</b>

T3.6.4

Mtref17/18

Free Basic service policy objectives taken from IDP									
Service objectives	Outline service targets	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2017/18	2018/19
		Previous year		Previous year	Current year		Current year	Current year	Following year
Service indicators (i)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service objective xxx									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

T3.6.5

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Not applicable in the district.

T3.6.6

## COMPONENT B: ROAD TRANSPORT

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

## INTRODUCTION TO ROAD TRANSPORT

This component is not applicable in the district.

T3.7.0

## 3.7 ROADS

## INTRODUCTION TO ROADS

This component is not applicable in the district

T3.7.1

Gravel road infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
2015/16	N/A	N/A	N/A	N/A
2016/17	N/A	N/A	N/A	N/A
2017/18	N/A	N/A	N/A	N/A

T3.7.2

Replace the word "tarred" with "asphalt"

Asphalted Road Infrastructure					
	Total Asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2015/16	N/A	N/A	N/A	N/A	N/A
2016/17	N/A	N/A	N/A	N/A	N/A
2017/18	N/A	N/A	N/A	N/A	N/A

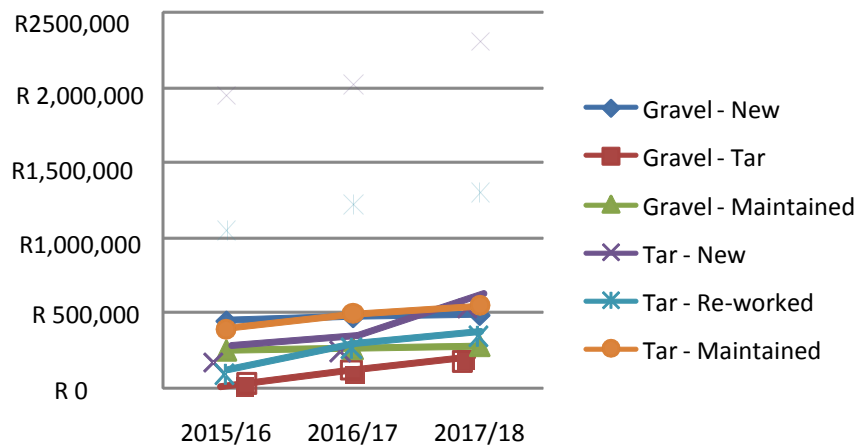
T3.7.3

Cost of construction/maintenance						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2015/16	N/A	N/A	N/A	N/A	N/A	N/A
2016/17	N/A	N/A	N/A	N/A	N/A	N/A
2017/18	N/A	N/A	N/A	N/A	N/A	N/A

T3.7.4

# Chapter 3

## Road Infrastructure costs



T3  
.7.5

Road service policy objectives taken from IDP									
Service Objectives          Service indicators (i)	Outline service targets          (ii)	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service objectives xxx									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.7.6									

T3.7.6

Employees: roads services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	100%
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	1	100%

T3.7.7

Financial performance Road Services 2016/17 R`000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget

# Chapter 3

Total operational revenue (excluding tariffs)					
Expenditure:	474	9 823	9 423	3 340	6 083
Employees	-	3 042	2 863	2 792	71
Repairs & Maintenance	-	1 459	1 459	535	924
Other	474	5 322	5 101	13	5 088
Total operational expenditure	474	9 823	9 423	3 340	6 083
Net operational (service) expenditure					
T3.7.8					

MTREF17/18

Capital expenditure 2017/18: Road Services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.7.9					

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The component is not applicable in the district.

T3.7.10

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

The component is not applicable in the district.

T3.8.1

Municipal bus service data					
	Details	2015/16	2016/17		2017/18
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger Journeys	N/A	N/A	N/A	N/A
2	Seats available for all journeys	N/A	N/A	N/A	N/A
3	Average unused bus capacity for all journeys	N/A	N/A	N/A	N/A
4	Size of bus fleet at year end	N/A	N/A	N/A	N/A
5	Average number of buses off the road at any one time	N/A	N/A	N/A	N/A
6	Proportion of the fleet off road at any one time	N/A	N/A	N/A	N/A
7	No. of bus journeys scheduled	N/A	N/A	N/A	N/A
8	No. of journeys cancelled	N/A	N/A	N/A	N/A
9	Proportion of journeys cancelled	N/A	N/A	N/A	N/A

# Chapter 3

T3.8.2

Concerning T3.8.2

The component is not applicable in the district.

T3.8.2.1

Transport service policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
Service objective xxx									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
•									
T3.8.3									

T3.8.3

Employees: Transport Services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	100%
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	1	100%

T3.8.4

Source:17/18 Organisational structure

Financial performance 2016/17: Transport services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					

T3.8.5



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Source 17/18 Mtef

Capital expenditure 2017/18: Transport Services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.8.6					

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

No capital projects were applicable under this component

T3.8.7

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The component is not applicable in the municipality

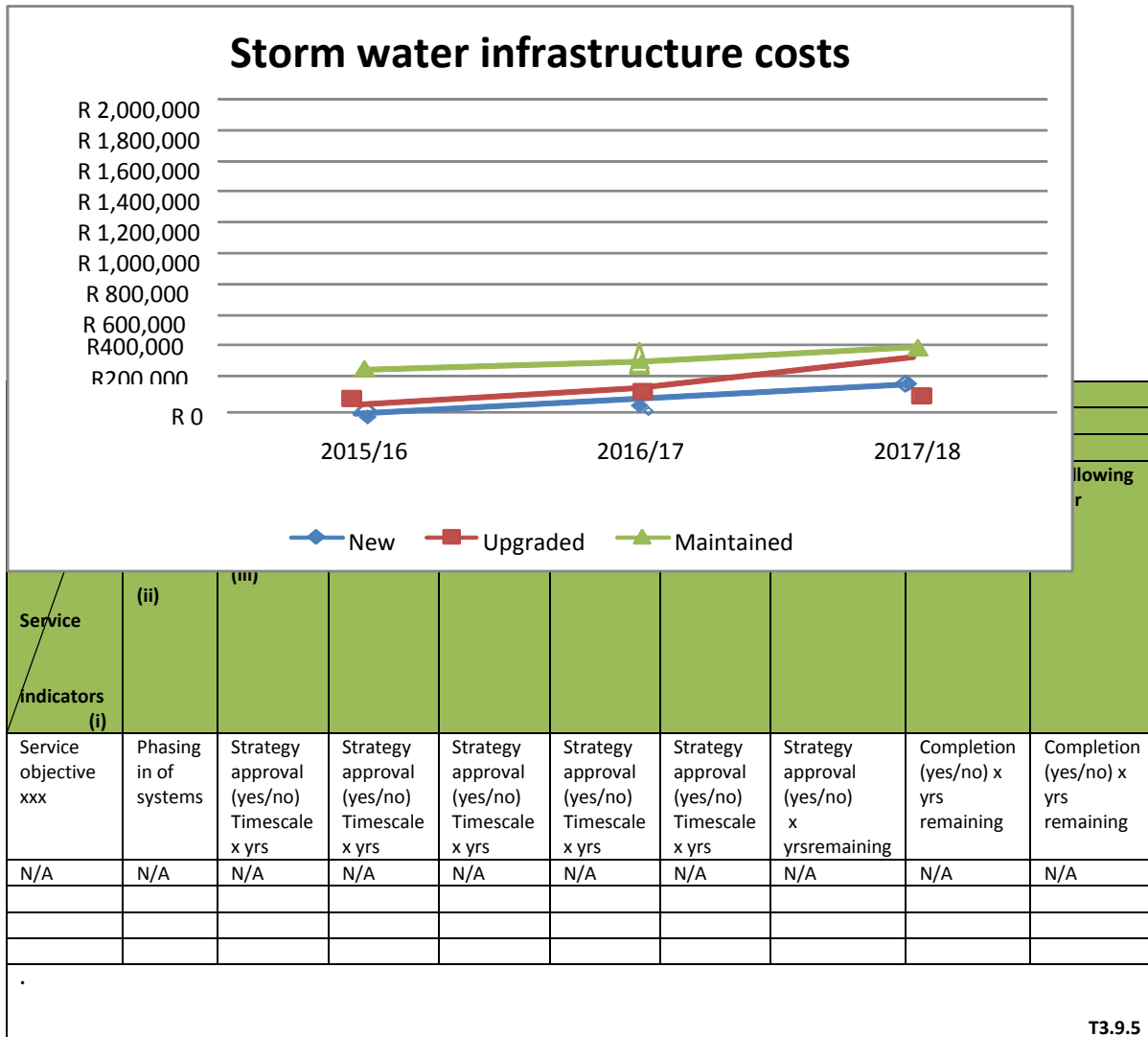
T3.9.1

Storm water Infrastructure				
	Total storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2015/16	N/A	N/A	N/A	N/A
2016/17	N/A	N/A	N/A	N/A
2017/18	N/A	N/A	N/A	N/A
Kilometers				
T3.9.2				

Cost of construction/maintenance	
R'000	
	Storm Water Measures

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	New	Upgraded	Maintained
2015/16	N/A	N/A	N/A
2016/17	N/A	N/A	N/A
2017/18	N/A	N/A	N/A
T3.9.3			



employees: Storm Water Services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A

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19-20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June.  
 \*Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.9.6

Financial performance 2017/18: Storm Water services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure					
Net operational (service) expenditure					

Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual

T3.9.7

Capital expenditure 2017/18: Storm Water Services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

T3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The component is not applicable in the Municipality

T3.9.9

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

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Mopani District Municipality (MDM)'s Vision is: 'To be the food basket of Southern Africa and to be the' tourism destination of choice'. It is therefore necessary to give attention to the four key sectors (Agriculture, Mining, Tourism, Trade and Manufacturing) which contribute towards the achievement of the MDM Vision. **The following are among the opportunities identified during quarterly stakeholder's discussions that resonate within the District:**

- \_ The Development of an integrated GIS which will enable the District and its locals to depict and share planning information.
- \_ The rich cultural diversity, which if fully tapped into, could turn the District into the destination of choice.
- \_ The District has a huge potential on the Agricultural and Mining value chain. Particularly if the potential is linked to the plans of Revitalisation of Industrial Parks Plans.
- \_ The above can be attained through the identified strategies of determining market gaps, Institutional Capacity building and organisational support as well as Production and supplier development for SMMEs and Partnerships

Integration of plans and budgets for all role-players remains a challenge as IDP processes have not yet reached the ideal state. The resuscitated Technical Committees comprising of the District, Local Municipalities and Sector Departments will in time resolve the challenge referred to above.

T3.10.0

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

The planning strategies applied include among others; development and review of SDF, Land Use Scheme Development, Land Use Applications Determination, legislative and policy technical capacity building.

#### 3.10.1. Development and review of SDF

The SDF stands for Spatial Development Framework aimed at guiding growth of the district communities spatially. It is a key tool for spatial decision-making when allocating various land development and land uses. The SDF was 50% complete by the end of July 2018 where the other 50% is targeted to be completed by end of March 2019.

#### 3.10.2. Land Use Scheme Development

Section 24(1) of Spatial Planning and Land Use Management Act (SPLUMA), 16 of 2013 requires that all municipalities must develop and adopt a single land use scheme for the entire municipality within five years of the promulgation of the SPLUMA. SPLUMA took effect from July 2015 hence all municipalities must develop their SPLUMA aligned Land Use Schemes by 2020. One of the planning strategy is thus to support local

# Chapter 3

municipalities to comply with this requirement. During 2017/2018 the district could not support any local municipality on land use scheme development due to insufficient budget but allocation was made for the purpose during 2018/2019.

### 10.3. Land Use Applications Determination

Section 34 of SPLUMA provides that district municipalities may establish a District Municipal Planning Tribunal to determine land development and land use applications within its district jurisdiction. Mopani District Municipality established a district municipal planning tribunal for the purpose in 2016. In 2016/2017 25 applications were determined by the municipal planning tribunal and in 2017/2018 34 applications were determined in the district making a total of 59 applications. There was one major impact application with a potential of appointing over 800 jobs.

## 10.4 Integrated GIS

Equipment for the establishment of integrated GIS has been purchased in 2017/18. The roll out plan and cascading of the programme will be developed in 2018/19. The finalisation of this milestone will enable depiction and sharing of planning information within Mopani District Municipality and the Local Municipalities within the District.

### T3.10.1

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Planning application received	0	5000	25	42	0	0
Determination made in year of receipt	0	0	25	34	0	0
Determination made in following year	0	0	0	5	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	5000	0	3	0	0

Planning policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
Service indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To promote Economic Sectors of the District									

# Chapter 3

Training of Small Medium and Macro Enterprises within the district ytd	4	4	4	4	4	6	5	4	4
Promoting small Medium and Macro Enterprises development initiatives	9	0	0	0	9	32	9	9	9
Coordination and reporting on EPWP ytd	4	0	0	0	4	4	12	4	4
3.10.3									

APR 17/18

employees: Planning Services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	0	0
4-6	1	2	1	1	50%
7-9	0	0	1	2	50%
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	2	3	3	3	100%
T3.10.4					

17/18 Organisational structure.

Financial performance 2017/18: Planning services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	14 908	10 051	9 549	12 580	2 927
Employees	9 810	10 051	9 549	9 129	420
Repairs & Maintenance	6	6	6	-	6
Other	5 092	8 527	5 952	3 451	2 501
Total operational expenditure	14 908	18 584	15 507	12 580	2 927
Net operational (service) expenditure					
T3.10.5					

Mtref17/18

Capital expenditure 2017/18: Planning Services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A

# Chapter 3

	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.10.6					

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T3.10.7

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in Mopani District.

LED is intended to maximise the economic potential of all Municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

The key strategic thrusts identified in the MDM LED strategy can exert the most influence in order to foster a prosperous economy within the District, i.e. Agriculture, Tourism, Mining and Trade & Manufacturing.

Mopani District Municipality was able to create conducive economic environment during the 2017/18 through, among others, the quarterly sessions with LED practitioners in the form of HOD/Technical committees, LED Fora, Economic summit, Tourism events including exposing SMMEs at Durban Indaba, training for SMMEs and discussions with different partners with the intention of future signing of MOUs.

T3.11.1

Economic Activity by Sector				R'000
Sector	2015/16	2016/17	2017/18	
Agric, forestry and fishing	N/A	N/A	N/A	
Mining and quarrying	N/A	N/A	N/A	
Manufacturing	N/A	N/A	N/A	
Wholesale and retail trade	N/A	N/A	N/A	
Finance, property, etc.	N/A	N/A	N/A	
Govt, community and social services	N/A	N/A	N/A	
Infrastructure services	N/A	N/A	N/A	
Total				

# Chapter 3

T3.11.2

Economic Employment by Sector				Jobs
Sector	2015/16 No.	2016/17 No.	2017/18 No.	
Agric, forestry and fishing	N/A	N/A	N/A	
Mining and quarrying	N/A	N/A	N/A	
Manufacturing	N/A	N/A	N/A	
Wholesale and retail trade	N/A	N/A	N/A	
Finance, property, etc.	N/A	N/A	N/A	
Govt, community and social services	N/A	N/A	N/A	
Infrastructure services	N/A	N/A	N/A	
Total				

T3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

The LED supports local SMMEs by creating a conducive environment to create job opportunities. The LED Forum was resuscitated on the 06 Jul 2017 to serve as a platform for Local Economic Development engagements not limited to employment creation opportunities. Sessions were conducted with various stakeholders to engage on IDP processes

The District Municipality has through the Tourism trade shows exposed SMMEs from all the five local Municipalities to the market whereby exhibition facilities were procured and transportation was arranged for the selected SMMEs

T3.11.4

Job Creation through EPWP* Projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2015/16	0	0
2016/17	2	310
2017/18	3	683

\*-Extended Public Works Programme

T3.11.6

Source APR 17/18

Local Economic Development policy objectives taken from IDP							
Service Objectives	Outline service	2015/16		2016/17		2017/18	2018/19
		Target	Actual	Target	Actual	Target	



# Chapter 3

Service indicators (i)	targets (ii)	*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*following year (x)
To promote Economic Sectors of District Economic Development									
	Number of people trained (including retained upskilled)	X people trained	X people trained	X people trained	X people trained	X people trained	X people trained	X people trained	X people trained
	0	0	0	0	300	310	683	0	0
T3.11.7									

Source APR 17/18, AR 16/17/AR,15/16

Employees: Local Economic Development Services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	0	0
4-6	1	1	1	1	50%
7-9	1	1	1	2	50%
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	3	3	0	0	0
Total	0	0	3	3	100%
T3.11.8					

Source Organizational structure 17/18

Financial performance 2016/17: Local Economic Development services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	2 900	5 335	5 402	3 598	1 804
Expenditure:	2 900	5 335	5 402	3 598	1 804
Employees	2 075	2 792	2 509	2 242	267
Repairs & Maintenance	-	-	-	-	-
Other	825	2 543	2 893	1 356	1 537
Total operational expenditure	2 900	5 335	5 402	3 598	1 804
Net operational (service) expenditure	2 900	5 335	5 402	3 598	1 804
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					
T3.11.9					

Source Mtref17/18

# Chapter 3

Capital expenditure 2017/18: Economic Development Services					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.11.10					

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Planning and Development Directorate brought in a number of initiatives which lead to the achievement of a number of LED initiatives and strengthened partnership in 2017/18. The LED forum was established and LED Fora were coordinated successfully, the District Economic Summit was successfully coordinated and held, LED Strategy successfully aligned with the IDP during Stakeholder sessions, coordination of trainings and promotion of SMMEs and trade shows were successful without hindrance. A conducive environment for EPWP coordination was created through the establishment of MDM EPWP Steering committee. Trainings conducted in collaboration with Seda

- LED forum Launch Report and LED Fora Minutes and Attendance Registers,
- the District Economic Summit Report
- Stakeholder Engagements report
- Trade Shows Reports
- EPWP Coordination Processes



Mopani District Exhibitors at Rand Show 2018

[illegible]

# Chapter 3

Employees: Libraries, Archives, Museums, Galleries, community facilities, other					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
					T3.52.4

Financial performance 2017/18 : Libraries, Archives, Museums, Galleries, Community Facilities, other					
					R'000
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure					
					T3.52.5

Capital expenditure 2017/18: Libraries, Archives, Museums, Galleries, community facilities, other					
					R'000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

This component is not applicable to the District Municipality

T3.52.7

# Chapter 3

## 3.55 CEMETORIES AND CREMATORIUMS

### INTRODUCTION TO CEMETORIES & CREMATORIUMS

This component is not applicable to the District Municipality

T3.55.1

### SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

This component is not applicable to the District Municipality

T3.55.2

Cemeteries and Crematoriums policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
Service objective xxx									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.55.3									

Employees: Cemeteries and Crematoriums					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	0	0	0	0	0
T3.55.4					

# Chapter 3

Financial performance 2017/18: Cemeteries and Crematoriums					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure					
T3.55.5					

Capital expenditure 2017/18: Cemeteries and Crematoriums					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.55.6					

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS F OVERALL:

This components is not applicable for the Municipality

T3.55.7

## 3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Special Programmes unit is a Societal or community bases unit that promote Social Cohesion and address different humanities and abilities in the society. The unit focus on developing, coordinate plans and programmes for special focus groups. Implement programmes aimed at supporting and empowering the Traditional Leaders, youth, elderly, women, children and disable persons as well as Gender. To provide technical assistance to special groups. monitor and maintain good relationship between communities and the district , To raise awareness, advocate and lobby for special programmes and projects of the special groups ,develop, review and implement socio-economic development policies and programmes in the Special Programmes .also to ensure special programmes mainstreaming , Establishment of special programmes forums that are functional to Promote relations between the Government and community for better participation for these groups on Government Programms. Monitor and maintain the youth and children's advisory councils and HIV and Aids structures • Perform any related tasks, activities

# Chapter 3

and assignments as may be delegated by the constitution of South Africa

SERVICE STATISTICS FOR CHILD CARE	T3.56.2
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Child Care, Aged Care; Social Programmes Policy objectives taken from IDP									
Service Objectives          Service indicators (i)	Outline service targets          (ii)	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To improve community safety health and social well-being									
Number of District Disability Forum meetings held ytd	4	4	4	4	4	6	4	4	4
Number of Elders Day celebration held ytd	1	1	1	1	1	1	1	1	1
Number of Elders dialogue held ytd	4	4	4	4	4	3	4	4	4
Number of 16days of Activism meeting held ytd	1	1	1	1	1	1	1	1	1
Number of children's advisory council meeting held ytd	4	4	4	4	4	4	4	4	4
Number of Excellence awards held successfully ytd	1	1	1	1	1	2	1	2	2
Number of Gender forum meetings held ytd	4	4	4	4	4	4	4	4	4
Number of men's forum meeting held ytd	4	4	4	4	4	4	4	4	4
Number of women's caucus	4	4	4	4	4	4	4	4	4
Number of	4	4	4	4	4	8	4	4	4

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District Health council activities supported and coordinated ytd									
District AIDS committee Summit by end of March 2018	1	1	1	1	1	1	1	1	1
Number of youth council Meetings held YTD	4	4	4	4	4	8	4	4	4
Number of Children's rights in Parliament held ytd	4	4	4	4	4	4	4	4	4
									T3.56.3

Source 17/18APR, AR16/17, AR15/16

Employees: Child Care, Aged Care, social programs					
Job level	2016/17	2017/18			
	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	3	3	3	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	4	4	4	0	0
					T3.56.4

Financial performance 2016/17: Child Care, Aged Care, social programs					
R`000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A
					T3.56.5

Capital expenditure 2017/18: Child Care, Aged Care, social programs	
R`000	
Capital Projects	2017/18



# Chapter 3

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.56.6					

## COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL

In the 17/18 financial year the municipality had the aged function. Gender meetings, children's parliament and disability forum meetings

T3.56.7

## COMPONENT E: ENVIRONMENTAL PROTECTION

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

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

T3.59.0

### 3.59 POLLUTION CONTROL

#### INTRODUCTION TO POLLUTION CONTROL

The Mopani District Municipal area is faced with environmental risks and trends that lead to environmental degradation. In order to ensure that development activities carried out by Mopani District Municipality are sustainable, the IDP of Mopani District had considered environmental and socio-economic issues in an integrated manner in decision making, project planning and implementation.

It is clear that individuals, communities and government need to come up with programmes to bring awareness on the causes and effects of global warming and together strategies on control measures for decreasing emission of the gases that exacerbate temperature increase in the atmosphere. The situation in Mopani calls more on the matter since the demographic dynamics indicate that 81% is rural and therefore vulnerable to any natural hazards without clear mechanisms to combat. Organic agriculture should be encouraged, land use schemes should be managed, veld fires be controlled and deforestation be prohibited.

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In order to ensure that there is balanced considerations of environmental and socio-economic in municipal projects planning, all infrastructure projects are screened to check if an Environmental Impact Assessment might be required or not. This is in line with the EIA regulations enacted under the National Environmental Management Acts No: 107 of 1998. Compliance of projects to other legal requirements as outlined by other acts and regulations is also screened before project implementation. This includes compliance with Acts and regulations such as the National Water Act No 36 of 1998, Minerals and Petroleum Resources Development Act No: 28 of 2002, National Heritage Resources act No:25 of 1999, section 24 of the Constitution of The Republic of South Africa of 1996 etc

T3.59.1

## SERVICE STATISTICS FOR POLLUTION CONTROL

Mopani District in particular is facing challenges in water and air pollution. The major cause of water pollution in Mopani is uncontrolled illegal dumping of wastes throughout the district and unattended sewage spillages. Several cases of illegal dumping of wastes along the river banks and in water bodies has been reported and observed in Greater Giyani and Greater Letaba municipalities. According to the State of Rivers Report for Letaba and Luvuvhu produced by DWS, water pollution in Mopani district is also worsened by deforestation activities associated with fuel-wood collection and agriculture along the river banks and within the riparian zones in the catchments areas. The lack of water-borne sewerage systems leads to the contamination of ground water.

The most noted water pollution takes place in the Murhogolo stream between Giyani shopping complex and government offices, the Thabina River from Mogoboya downstream, at the Klein and Groot Letaba rivers as well as Molotodzi which is highly choked with solid waste. Water is life and the necessity to conserve it cannot be overemphasized or postponed since it cannot be created. Individual members of communities, sector departments and private institutions need to take conscious decision on its conservation and prevention of water pollution.

T3.59.2

[illegible]

# Chapter 3

of the Integrated Waste Management Plan and approval by Council ytd									
Number of reports submitted on K2 Biosphere reserve activities ytd	4	4	4	4	4	4	4	4	4
Number of projects supported on Green Economy activities ytd	8	8	8	8	8	8	8	8	8
Number of reports on Ambient Air Quality Monitoring submitted to Management ytd	4	4	4	4	4	4	4	4	4
<b>T3.59.3</b>									

Source APR17/18, AR16/17 ,AR/15/16

Pollution Control					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6	1	1	1	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	0	0
<b>T3.59.4</b>					

Financial performance 2017/18: Pollution Control					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A
<b>T3.59.5</b>					

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Capital expenditure 2017/18: Pollution Control					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.59.6					

## COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The municipality managed to monitor all water sources by taking water samples (300) to confirm quality standards, and forms of pollution . Feecal pollution (i.e human faeces ) is the dominant source of pollution in our rivers and streams..moor pads were laid for Cholera and Typhoid monitoring. 18 inspections were conducted at sewage treatment plants and 6 were compliant while 12 were noncompliant. 17 Health care facilities were inspected for health care risk waste management 12 were compliant. 05 were noncompliant. Monitoring was conducted 4 times on illegal dumping sites, i.e. 1 for burning of tyres, 1 for burning of refuse and 2 for illegal dumping.

T3.59.7

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

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

This component is not applicable in the District municipality

T3.60.1

### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

This component is not applicable in the District municipality

# Chapter 3

T3.60.2

Bio-Diversity; Landscape and other Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17		2017/18	2018/19		
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
Service objective xxx									
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.60.3									

Employees: Bio-Diversity, Landscape and other					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
T3.60.4					

Financial performance 2017/18: Bio-Diversity, Landscape and other					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A

# Chapter 3

Net operational (service) expenditure					
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					T3.60.5

Capital expenditure 2017/18: Bio-Diversity, Landscape and other					
					R'000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					T3.60.6

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

The component is not applicable in the municipality

T3.60.7

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

The challenge of the health sector in South Africa is to develop a unified national health system capable of delivering quality health care to all citizens efficiently and in a decent environment. The provision of health facilities to all settlements in the district is a problem because of the large number of settlements (varying in size), with the majority of them being relatively small and scattered throughout the district. A simplified calculation of the number of people per hospital per local municipality would not provide a true reflection of the actual situation, as hospitals provide services to communities across municipal boundaries and international refugees. The Health plan has been reviewed and further details will be unpacked adequately therein. District Health Council and the AIDS Councils to govern health activities in the district are also established and functional. The prevalence of HIV and AIDS has resulted in the increase of child-headed families without any source of income in the province. However, the Department of Social Development has been proactive in providing child support grants

T.62.0

## 3.62 CLINICS

# Chapter 3

## INTRODUCTION TO CLINIC

The component is not applicable in the District Municipality

T3.62.1

Service Data for Clinics					
	Details	2015/16	2016/17		2017/18
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Average number of patient visits on an average day				
2	Total medical staff available on an average day				
3	Average patient waiting time	Mins	Mins	Mins	Mins
4	Number of HIV/AIDS tests undertaken in the year				
5	Number of tests in 4 above that proved positive				
6	Number of children that are immunized at under 1 year of age				
7	Child immunizations above compared with the child population under 1 year of age	%	%	%	%
T3.62.2					

The component is not applicable in the District Municipality

T3.62.2.1

Clinics Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17		2017/18	2018/19		
		Target	Actual	Target	Actual		Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
Service objective xxx									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.62.3									

Employees: Clinics					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	N/A

# Chapter 3

Total	N/A	N/A	N/A	N/A	N/A
T3.62.4					

Financial performance 2017/18: Clinics					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	0	0	0	0	0
Employees	0	0	0	0	0
Repairs & Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total operational expenditure	0	0	0	0	0
Net operational (service) expenditure	0	0	0	0	0
T3.62.5					

Capital expenditure 2017/18: Clinics					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
) T3.62.6					

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

The component is not applicable in the District Municipality

T3.62.7

## 3.63 AMBULANCE SERVICES

### INTRODUCTION TO AMBULANCE SERVICES

The component is not applicable in the District Municipality

T3.63.1

Ambulance Service Data			
Details	2015/16	2016/17	2017/18



# Chapter 3

		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of patients taken to medical facilities during the year	N/A	N/A	N/A	N/A
2	Average time from emergency call to arrival at the patient – in urban areas	N/A	N/A	N/A	N/A
3	Average time from emergency call to arrival at the patient – in rural areas	N/A	N/A	N/A	N/A
4	Average time from emergency call to the transportation of patient to a medical facility – in urban areas	N/A	N/A	N/A	N/A
5	Average time from emergency call to the transportation of patient to a medical facility – in rural areas	N/A	N/A	N/A	N/A
6	No. Ambulance	N/A	N/A	N/A	N/A
7	No. paramedics				
T3.63.2					

The component is not applicable in the District

T3.63.2.1

Ambulances Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17		2017/18	2018/19		
		Target	Actual	Target	Actual		Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
Service objective xxx									
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.63.3									

Employees: Ambulances					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
T3.63.4					

# Chapter 3

Financial performance 2017/18: Ambulances					
Details	2015/16	2016/17			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure					
T3.63.5					

Capital expenditure 2017/18: Ambulances					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
)	T3.63.6				

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

The Ambulance services are not applicable to the District Municipality.T3.63.7

## 3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Our top priority with regard to health inspections entails the following: conducting routine inspections to all food premises to ensure compliance with health legislations and taking action to improve conditions, sampling of food products to ensure safety and compliance with minimum health. Monitoring of informal street food traders. 17 Health care facilities were inspected for health care risk waste management 12 were compliant. 05 were noncompliant. Monitoring was conducted 4 times on illegal dumping sites, i.e. 1 for burning of tyres, 1 for burning of refuse and 2 for illegal dumping.

T3.64.1

# Chapter 3

## SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

T3.64.2

Health Inspection, Etc. Policy objectives taken from IDP									
Service Objectives  									

Employees: Health Inspection, Etc.					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	25	0	0
4-6	20	20	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	25	0	0
Total	20	20	25	0	0
T3.64.4					

# Chapter 3

Financial performance 2017.18: Health Inspection, Etc. R'000					
Details	2015/16	2016/17			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	25 345	31 703	34 828	23 652	11 176
Employees	22 897	23 568	23 568	20 621	2 947
Repairs & Maintenance	-	-	400	12	388
Other	2 448	8 135	10 860	3 019	7 841
Total operational expenditure	25 345	31 703	34 828	23 652	11 176
Net operational (service) expenditure					
T3.64.5					

Capital expenditure 2017/18: Health Inspection, Etc. R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.64.6					

## COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The directorate do not have a capital budget on the said priorities; however, there was an operational budget of R2 525 000 and it could not manage to reach the set priorities. Hence more budget was advocated for in the next financial year (budget was increased to R6 035 000).

T3.64.7

## COMPONENT G: SECURITY AND SAFETY

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

# Chapter 3

## INTRODUCTION TO SECURITY & SAFETY

This component is not applicable in the municipality

T3.65.0

## 3.65 POLICE

### INTRODUCTION TO POLICE

This component is not applicable in the municipality

T3.65.1

Metropolitan Police service Data					
	Details	2015/16	2016/17		2017/18
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	N/A	N/A	N/A	N/A
2	Number of by-law infringements attended	N/A	N/A	N/A	N/A
3	Number of police officers in the field on an average day	N/A	N/A	N/A	N/A
4	Number of police officers on duty on an average day	N/A	N/A	N/A	N/A
					T3.65.2

Concerning T3.65.2

This component is not applicable in the municipality.

T3.65.2.1

Police Policy objectives taken from IDP						
Service Objectives	Outline service	2015/16		2016/17		2017/18
		Target	Actual	Target	Actual	2018/19 Target

# Chapter 3

Service indicators (i)	targets (ii)	*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*following year (x)
Service objective xxx									
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T3.65.3									

Employees: Police Officers					
Job level	2016/17	2017/18			
Police  Administrators	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other police officers					
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
16-18	N/A	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
T3.65.4					

Financial performance 2017/18 Police					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	N/A	N/A	N/A	N/A	N/A
Police Officers	N/A	N/A	N/A	N/A	N/A
Other Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure					
T3.65.5					

Capital expenditure 2017/18: Police					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					

# Chapter 3

Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.65.6					

## COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

The component is not applicable

T.3.65.7

## 3.66 FIRE

### INTRODUCTION TO FIRE SERVICES

Mopani has established a fully-fledged unit for fire services in the District. Each local municipality is allocated an operational Fire station in the following areas: Tzaneen, Giyani, Modjadiskloof, Phalaborwa and Hoedspruit. Every station ensures twenty-four hour services to communities, in the following services:

- ☐ Saving lives and property
- ☐ Responding to motor vehicle accidents and incidents
- ☐ Specialised search and rescue incidents (high angle, swift water, confined space, trench rescue, hazardous substance, aircrafts & train incidents)

The District Municipality is striving to improve the working relationship with communities, private institutions and sector departments in addressing the problems. Fire protection Associations are established in GLM, GTM, BPM and MLM.

3.66.1

Metropolitan Fire Service Data					
	Details	2015/16	2016/17		2017/18
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	1227	470	1227	1300
2	Total of other incidents attended in the year	750	920	994	1050
3	Average turnout time – urban areas	3 Min	3 Min	3 Min	3 Min
4	Average turnout time – rural areas	30 Min	30 Min	30 Min	30 Min
5	Fire fighters in post at year end	59	74	86	86
6	Total fire appliances at year end	38	38	36	36
7	Average number of appliance off the road during the year	30	30	35	35
T3.66.2					

Employees: Fire Services					
Job level	2016/17	2017/18			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Admi	No.	No.	No.	No.	%
nistrators					
Chief fire Officer & Deputy	0	0	2	0	0
Other fire officers	1	1	0	0	0
0-3	6	6	0	0	0
4-6	24	92	5	0	0
7-9	32	104	43	16	0.37
10-12	1	6	20	63	3.15
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	64	209	70	79	1.13
T3.66.4					



# Chapter 3

Financial performance 2017/18: Fire Services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	36 571	50 751	47 432	51 943	-4 511
Fire Fighters	34 835	43 226	42 999	45 397	-2 398
Other Employees	-	-	-	-	-
Repairs & Maintenance	696	950	1 100	461	639
Other	1 040	6 575	3 333	6 085	-2 752
Total operational expenditure	36 571	50 751	47 432	51 943	-4 511
Net operational (service) expenditure					
T3.66.5					

Capital expenditure 2017/18: Fire Service					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	18 600 000	18 600 000	0	0	18 600 000
Upgrading of Fire Stations	4 000 000	4 000 000	0	0	4 000 000
Upgrading of Security System	100 000	100 000	0	0	100 000
Fire & Rescue Equipment	3 500 000	3 500 000	0	0	3 500 000
Specialised Vehicles	6 000 000	6 000 000	0	0	6 000 000
T3.66.6					

## COMMENT ON THE PERFORMANCE OF FIRESERVICES OVERALL:

Oure prioritised Disaster Management projects includes Vehicle Tracking System, Upgrading of Command Vehicles and the Upgrading of the Communication Centre. The total budget for management of disasters was R23 671 715. The total Capital budget for the projects is R3 600 000; and we managed to meet our set targets

T3.66.7

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

# Chapter 3

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery, and rehabilitation (Disaster Management Act 57 of 2002), so as to minimize the impact upon lives, environment and natural resources. The following hazards are posing the greatest risks in the District on the economy, cultural, welfare, sustained development and sustained livelihoods. The Disaster Management Act (Section 53) requires the Mopani District Municipality to take the following actions:

- ⑦ Prepare a disaster management plan for its area according to the circumstances prevailing in the area.
- ⑦ Co-ordinate and align the implementation of its plan with those of other organs of state and institutional role players, and
- ⑦ Regularly review and update its plan.

T3.67.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC  
NUISANCES, ETC

T3.67.2

[illegible]

# Chapter 3

end of September									
									T3.67.3

Source APR 17/18/AR16/17

Employees: Disaster management, Animal Licensing and control, control of public					
Job level	2016/17	2017/18			
Job Level	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	9	7	2	20
7-9	11	21	11	10	50
10-12	1	1	1	0	0
13-15	2	3	2	1	10
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	22	35	22	13	35
.					T3.66.4

Organizational structure 17/18,16/17

Financial performance 2017.18: Disaster management, Animal Licensing and control, control of public						R'000
Details	2016/17	2017/18				
	Actual	Original budget	Adjustment budget	Actual	Variance to budget	
Total operational revenue (excluding tariffs)						
Expenditure:	13 888	25 845	19 970	17 363	2 607	
Fire Fighters	11 448	14 383	13 368	13 266	102	
Other Employees	300	900	160	68	92	
Repairs & Maintenance	2 140	10 562	6 442	4 029	2 413	
Other	13 888	25 845	19 970	17 363	2 607	
Total operational expenditure						
Net operational (service) expenditure						
						T3.67.5

Capital expenditure 2017/18: Disaster management, Animal Licensing and control, control of public						R'000
Capital Projects	2017/18					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value	
Total all	0	0	0	0	0	
Project A	N/A	N/A	N/A	N/A	N/A	
Project B	N/A	N/A	N/A	N/A	N/A	
Project C	N/A	N/A	N/A	N/A	N/A	
Project D	N/A	N/A	N/A	N/A	N/A	
						T3.67.6

# Chapter 3

## COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Oure prioritised Disaster Management projects includes Vehicle Tracking System, Upgrading of Command Vehicles and the Upgrading of the Communication Centre. The total budget for management of disasters was R23 671 715. The total Capital budget for the projects is R3 600 000; and we managed to meet our set targets.

T3.67.7

## COMPONENT H: SPORT AND RECREATION

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

### INTRODUCTION TO SPORT AND RECREATION

The component is not applicable in the Municipality

T3.68.0

## 3.68 SPORT AND RECREATION

### SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

Sport and Recreation Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target	Actual	Actual	Target	Target	Target
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								

# Chapter 3

Service objective xxx									
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

T3.68.2

Employees: Sport and Recreation					
Job level	2016/17	2017/18			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	0	0	0
4-6	0	0	1	2	50%
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	1	1	1	2	2

T3.67.3

Financial performance 2017/18: Sport and Recreation					
R`000					
Details	201/16	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	N/A	N/A	N/A	N/A	N/A
Expenditure:	N/A	N/A	N/A	N/A	N/A
Other Employees	N/A	N/A	N/A	N/A	N/A
Repairs & Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total operational expenditure	N/A	N/A	N/A	N/A	N/A
Net operational (service) expenditure	N/A	N/A	N/A	N/A	N/A

T3.68.4

Capital expenditure 2017/18: Sport and Recreation					
R`000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D					

T3.68.5

# Chapter 3

## COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The component is not applicable in the Municipality

T3.68.6

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

Thirteen policies related to governance of Information Technology were reviewed and adopted by Council. This component includes: corporate policy offices, financial services, human resource services, ICT services, property services,

## 3.69 EXECUTIVE AND COUNCIL

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

### INTRODUCTION TO EXECUTIVE AND COUNCIL

Three-year IDP targets for the performance of the executive and council has been set as i.e. ensure clean audits, 100% implementation of audit committee recommendations, audit charter developed, compliance with internal audit plan, review of risk register, implementation of risk mitigated plans, compliance to legislative requirements, investigation of anti-corruption cases, submission of Annual Performance Report within timeframe and average organizational performance rating, integration of electronic systems, training of staff, filling of vacant positions, mitigation of industrial relations and employee performance reviews.

Strategies to achieve the above mentioned targets are i.e. regarding audit to Review the audit charter annually. Ensure that identified internal controls are in place. Development of three years and annual internal audit plan. Ensure compliance and consistent adherence to policies (continuous monitoring and reporting).

To strengthen and support oversight regarding Risk Management through the strategies of to conduct risk assessment to ensure risk reduction; Review Enterprise Risk Assessment annually; Ensure that identified risks according to the Risk Assessment are minimised and addressed; Vetting of qualifications and security matters; Conduct auditing of internal controls; Investigating all allegations of fraud and corruption and enforcement of disciplinary and criminal actions. Regarding monitoring and evaluation, the implementation of a procedure manual for monitoring, evaluation and reporting has been developed. Building capacity at the level below S57 to take place to ensure continuity of knowledge that has been built. Regarding legal services, strategies are i.e. intensification of the implementation of anti-corruption strategy. Disseminate the strategy to all employees and Councillors. Utilisation of the hotline to address reported cases of alleged corruption. Once the hotline is in place, review the strategy. Strategies to improve the human resources function are i.e. conduct skills audit. Twinning or employee exchange programme to be directed at employees that are struggling on certain issues. These identified employees to be referred to other institutions for practical learning. Develop training

programmes to address competencies in organisation. Develop and implement coaching and mentoring programme. Develop and submit workplace skills plan. Ensure people are training according to competency assessment and skills audit. Monitor and evaluate the impact of training. Sponsor comprehensive development programme based upon identified criteria. Ensure that skilled personnel are retained and awarded. Attract and appoint skilled and competent staff in appropriate positions. Conduct an analysis of vacancies vis-a-vis the organogram. Development and implementation of succession planning strategy. Embark upon a coaching and mentoring programme. To improve employee monitoring and reporting the aim is to promote accountability and responsibility. Implementation of disciplinary procedures. Develop Change and Diversity Management Programme. Completion and implementation of Personal Development Plans for S57 and contractual managers. Cascading of employee performance management to all levels. Ensure monitoring and coaching and creation of awareness of organisation culture. Implement motivational strategies within the organisation. Monitor whether focused and disciplined workforce has been establish.<sup>1</sup>

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T3.69.2

<sup>1</sup> 2014/15 Mopani District Municipality integrated Development Plan. Programme Strategies

# Chapter 3

Number of Speakers Forum held successfully ytd	4	4	4	4	4	4	4	4	4
									T3.69.3

Employees: The Executive and Council					
Job level	2016/17	2017/18			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	4	4	2	1	2
4-6	4	4	8	7	0.88
7-9	0	0	1	2	2
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	8	8	17	10	0.59
					T3.69.4

Financial performance 2017/18: The Executive and Council					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	13 888	25 845	19 970	17 363	2 607
Other Employees	11 448	14 383	13 368	13 266	102
Repairs & Maintenance	300	900	160	68	92
Other	2 140	10 562	6 442	4 029	2 413
Total operational expenditure	13 888	25 845	19 970	17 363	2 607
Net operational (service) expenditure					
					T3.69.5

Capital expenditure 2016/17: The Executive and Council					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Jopie Mawa - Ramotshinyadi	137 267 879.56	137 267 879.56	137 267 879.56	0	354 320 360.00
Tours Water Scheme: Bulkline refurbishment and	46 799 351.15	46 799 351.15	46 799 351.15	0	93 532 350.00



# Chapter 3

reticulation					
Sefototse to Ditshosini Bulk Water Supply	50 261 129,09	67 747 865,59	46 438 419.98	17 486 736,50	218 924 819.96
Thapane Regional Water Scheme, Upgrading of water reticulation and extensions	29 222 382.97	29 222 382.97	29 222 382.97	0	145 365 275.99
T3.69.6					

## COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The following areas were identified as having the highest number of backlogs in terms of basic water supply; Jopie Mawa, Tours, Sefototse and Thapane. Upon approval by council for implementation of these projects. In the 2017/18 FY MDM had an MIG allocation of 444 478 000, The projects outlined on the above table had a total budget of 281 037 479.27 amounting to 63.2% of the allocation. These projects were planned to address the Bulk Water Supply and water reticulation in Jopie Mawa, Tours, Sefototse, Thapane and surrounding areas where the projects are being implemented. A variance / adjustment of 17 486 736,50 was encountered due to the need to carry out specialised services to assist in forward planning for the works to be carried out in the 2018/19 Financial Year. The project values indicate that these projects are implemented as multi-year projects and will be completed over an estimated period of three (3) years in order to eradicate the backlogs of services as previously identified. The projects also contributed a large portion of the 2018/18 MIG expenditure. T3.69.7

## 5\*3.70 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

The top priorities are water and sanitation, the impact of this is that the district does not receive actual revenue collected on the priorities and it is impact on the cash flow, The municipality is intending to take over the function do it no longer done by local municipalities so that it has a closer monitoring of the function and collection. T3.70.1

Debt recovery								
Details of the types of account raised and recovered	2015/16		2016/17			2017/18		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %
Property Rates								
Electricity – B								
Electricity - C								
Water – B	R 230 870 812,07	155,07	R 137 948	R 140 981 821,54	102,20	R 166 366 362,00	R 185 093 249,10	111,2564

# Chapter 3

[illegible]

Concerning T3.70.2

### T3.70.2.1

[illegible]

# Chapter 3

Financial statements drafted and submitted to AG by end of Aug									
Number of quarterly financial statements submitted to Council ytd	4	4	4	4	4	2	4	4	4
Percentage of creditors paid within 30days	100	100	100	100	100	50	100	100	100
Percentage of operating spent on Personnel costs ytd	30	30	30	30	30	87	30	30	30
Revenue enhancement strategy revised and approved by 30June '18	1	1	1	1	1	0	1	1	1
Percentage of debt coverage ytd	100	100	100	100	100	5.53	100	100	100
Percentage of Cost coverage ytd	150	150	150	150	150	50	150	150	150
Percentage of infrastructure tenders placed on Construction industry Development Board and awarded (CIDB website ytd)	100	100	100	100	100	100	100	100	100
Percentage of bids adjudicated within 30days after the development of the evaluation report ytd	100	100	100	100	100	90	100	100	100
T3.70.3									

SOURCE APR17/18,AR15/16

Employees: Financial Services					
Job level	2016/17	2017/18			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

# Chapter 3

	No.	No.	No.	No.	%
0-3	149 276	47 109	148 147	86 326	61 821
4-6	15 085	27 709	23 987	20 352	3 635
7-9	61 985	300	300	146	154
10-12	72 206	19 100	123 860	65 828	58 032
13-15	149 276	47 109	148 147	86 326	61 821
16-18	149 276	47 109	148 147	86 326	61 821
19-20	15 085	27 709	23 987	20 352	3 635
Total	61 985	300	300	146	154
					T3.70.4

Source :Organisational structure17/18 ,16/17

Financial performance 2017/18: Financial Services					
R`000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	149 276	47 109	148 147	86 326	61 821
Other Employees	15 085	27 709	23 987	20 352	3 635
Repairs & Maintenance	61 985	300	300	146	154
Other	72 206	19 100	123 860	65 828	58 032
Total operational expenditure	149 276	47 109	148 147	86 326	61 821
Net operational (service) expenditure					
					T3.70.5

Source: Budget 17/18,16/17

Capital expenditure 2017/18: Financial Services					
R`000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Vehicle-OEM	-	1 000	1 056	-56	1 000
vehicle- Water Services	-	4 040	-	4 040	4 040
Vehicle-Speaker	-	1 000	698	302	1 000
Upgrading of command vehicle	-	2 500	-	2 500	2 500
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
					T3.70.6

Source Budget 17/18.16/17

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

There were four top projects on the purchase of vehicles and the variances are on the second las column above

T3.70.7

## 3.71 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

[illegible]

# Chapter 3

Number of reports on the implementation of the Workplace Skills Plan submitted to Management ytd	12	12	12	12	12	12	12	12	12
Skills Development Plan developed and submitted to SETA by end of June	1	1	1	1	1	1	1	1	1
T3.71.3									

Employees: Human Resource Services					
Job level	2016/17	2017/18			
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	1	1
4-6	4	4	1	6	6
7-9	10	10	13	9	0.69
10-12	3	3	9	4	0.44
13-15	6	6	2	12	6.00
16-18	33	33			-
19-20	0	0	0	0	-
Total	57	57	26	32	1.23
Totals should equate to those included in the chapter 4 total employee schedule. Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustment budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T3.71.4					

Financial performance 2017/18: Human Resource Services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	9 978	24 367	18 021	15 614	2 407
Other Employees	4 610	12 534	9 149	8 043	1 106
Repairs & Maintenance	-	-	-	-	-
Other	5 368	11 833	8 872	7 571	1 301
Total operational expenditure	9 978	24 367	18 021	15 614	2 407

# Chapter 3

Net operational (service) expenditure					
Net expenditure to be consistent with summary table T51.2 in chapter 5. Variances are calculated by dividing the difference between the actual and original budget by the actual					T3.71.5

Capital expenditure 2017/18: Human Resources Services					
					R'000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					T3.71.6

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The human resource office had a review of the organogram that was successfully done.

T3.71.7

## 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

Mopani District Municipality has long acknowledged that ICT plays a pivotal role in enabling the municipality to carry out its mandate, execute its powers and functions, and realise its strategic objectives. The municipality recognize that ICT's can be better leveraged to effective administration, service delivery and socio-economic development and are therefore integral to the functioning of the municipality. It is for this reason that the municipality established IT Unit within its Corporate and Shared Services Directorate. Gaps identified in the areas of governance of ICT, strategy, organisation structure and staffing in the ICT Unit, processes, applications, technologies, and information in the ICT function are being address, and the municipality is making strides with the limited resources at its disposal. The appointment of Systems & Networks Officer to increase staffing in the IT Office to two personnel, although not adequate, has improved municipality improved staffing in the IT Office and delivery of IT services and performance in the municipality. Further proposals for improvement of staffing in the unit were forwarded during the organisational structure review in the institution.

# Chapter 3

During the period under review, the municipality reviewed its Strategic Information System Plan (SISP) to align it with developments within the organisation, local government sphere, legislation, trends in technologies, and requirements within the community where it operates.

In order to mitigate against the risk of loss of critical data and information system in cases of natural and other risk factors the municipality developed and adopted an IT Disaster Recovery Plan (DRP).

The process of refreshing information systems infrastructure took off with the design, construction, and commissioning of the new server room in the main office in Giyani to replace the old server room which did not meet the required standards. The server room was also equipped with current technologies for data storage and manipulation, environment monitoring, security, and firefighting. Newer and current servers with increased availability, reliability, processing power, and storage replaced old and obsolete servers.

T3.72.1

## SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

ICT Services Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service indicators (i)	(ii)								
To strengthen record keeping & knowledge management									
Percentage of completion of development of the DRP ytd	100	100	100	100	100	100	100	100	100
Percentage of completion of development of the MSP ytd	100	100	100	100	100	100	100	100	100
T3.72.3									

T3.72.3

Source: IDP17/18, APR 17/18, AR15/16

Employees: ICT Services



# Chapter 3

Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	1	1	0	0
4-6	1	1	1	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	2	2	1	0	0
T3.72.4					

Source :Organisational structure17/18,16/17

Financial performance 2017/18: ICT Services					
R'000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)					
Expenditure:	42 190	12 594	22 763	24 173	-1 410
Other Employees	1 013	1 633	1 602	1 600	2
Repairs & Maintenance	20	200	40	12	28
Other	41 157	10 761	21 121	22 561	-1 440
Total operational expenditure	42 190	12 594	22 763	24 173	-1 410
Net operational (service) expenditure					
T3.72.5					

Source : Budget 17/18,16/17

Capital expenditure 2017/18: ICT Services					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
T3.72.6					

Source :Budget 17/18,17/18

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

During the period under review only two major capital projects we planned and achieved, namely Giyani Server Room Designed and Construction and Server Room Equipment. The two projects were aimed at attaining the strategic objective “Manage through Information”.

The project for equipping the server room was attained within allocated capital budget, however the server room design and construction had a budget overrun of 15 percent due to a one percentage increase in the rate of value added tax and the variation in the technical specifications due to the fact that the room which was to be utilised had not been appropriately prepared by the landlord for use as the server room.

# Chapter 3

T3.72.7

## 3.73 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 contracts fro all service providers were signed to avoid risks on all procurement of services T3.73.1

### SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

Property; legal; Risk Management and Procurement Services Policy objectives taken from IDP									
Service Objectives	Outline service targets	2015/16		2016/17		2017/18	2018/19		
		Target	Actual	Target	Actual		Target		
		*Previous year		*Previous year	*Current year		*Current year	*Current year	*following year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Indicators (i)	(ii)								
To promote democracy and Sound Governance									
Percentage of reported cases of Fraud and corruption resolved ytd	100	100	0	100	100	0	100	100	100
Risk assessment report submitted to Council by 30 May	1	1	1	1	1	1	1	1	1
Risk committee resolutions implemented ytd	100	100	100	100	100	90	100	100	100

# Chapter 3

Number of Risk monitoring reports submitted to Council ytd	4	4	4	4	4	2	4	4	4
Number Strategic Risks mitigated ytd	10	10	10	10	10	5	10	10	10
Number of Risk Management workshops conducted ytd	2	2	2	2	2	2	2	2	2
Number of Risk Management strategy developed and approved by management and tabled to Council ytd	1	1	1	1	1	1	1	1	1
Fraud prevention Strategy updated and approved by council ytd	1	1	1	1	1	1	1	1	1
T3.73.3									

Source: APR 17/18,AR16/17,AR15/16

Employees: Property; legal; Risk Management and Procurement Services					
Job level	2016/17	2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	1	1	0%
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	0	0	0	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	0	0	1	1	0%
T3.73.4					

Source :APR 17/18. AR16/17 AR 15/16

T4.6.5
--------

Financial performance 2017/18: Property; legal; Risk Management and Procurement Services					
R`000					
Details	2016/17	2017/18			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget

# Chapter 3

Total operational revenue (excluding tariffs)	43 755	1 925	1 879	1 985	-106
Expenditure:	43 755	1 925	1 879	1 985	-106
Other Employees	1 324	1 952	1 879	1 985	-106
Repairs & Maintenance	-	-	-	-	-
Other	42 431	5 783	13 253	12 840	413
Total operational expenditure	43 755	7 735	15 132	14 825	307
Net operational (service) expenditure					
T3.73.5					

Capital expenditure 2017/18: Property; legal; Risk Management and Procurement Services					
					R'000
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
Project A	N/A	N/A	N/A	N/A	N/A
Project B					
Project C					
Project D					
T3.73.6					

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

# Chapter 3

In the 2017/18 financial year, MDM has managed to connect more than 10400 new households to the water system. Previously the households had to fetch water from a distance over 200m from their households.

T3.73.7

T4.6.5

## COMPONENT J: MISCELLANEOUS

The following are the airports and landing strips available in the Mopani District Municipality and the economic activity around each LM:

- Hoedspruit (Maruleng) airport and landing strip
- ZZ2 (GLM) – agricultural produce (tomatoes)
- Ba-Phalaborwa – mines
- Eiland (Ba-Phalaborwa) – tourism
- Tzaneen – agricultural produce
- Siyandani (in Giyani) – shopping, mines, agriculture

### INTRODUCTION TO MISCELLANEOUS

Hoedspruit airport was originally and solely used by military air force. It is now commercial and it caters for airlines from Hoedspruit to Gauteng and Cape Town and is used by public and also game hunting tourists. The one landing strip in Giyani (Siyandani) is owned by Government but its condition is not maintained. Cattle and other animals roam on it. Other air strips are privately owned and may not be relied upon for commercial purposes for either goods or public. The District has not as yet taken over

T3.75.0

# Chapter 3

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The Annual Performance Scorecard Report for 17/18 emanates from the Integrated Development Plan and translated to the Service Delivery Budget and Implementation Plan that further broken down to Departmental Indicators. Below is the departmental score card that build up to the Annual Performance Score card.

### 5.1 SDBIP – Office of the Municipal Manager

T4.6.5

#### SDBIP – OFFICE OF THE MUNICIPAL MANAGER – VOTES 005, 080, 006 – Key Performance Indicators

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17 / June 18	Annual Score July 17/June 2018	Annual Target	Variance from Annual Target	Baseline 16/17 performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M-49	Approved District water Master Management Plan by end of June	#	MDM-DWS	N/A	N/A	N/A	1	1	3	1	0	1	1	1	Draft Water Master Management Plan is available not yet tabled to council	Lack of internal capacity	To solicit for support from MISA and DBSA	3	1	1.75	1	0	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18							Actual Annual	Annual Score	Annual	Variance	Baseline
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 03	Percentage of capital spent on projects as prioritised in IDP for specific year	%	MDM – MM	25	5.69	1.23	50	30.10	1.60	75	46	1.61	100	92.43	MIG Expenditure : R 413 866 290.09 / R444 748 000.00 = 92.43%	Late appointment of service providers.	Forward planning of the projects which will lead to Service Providers to be on site at the beginning of the Financial Year. SCM to adhere to procurement plan Acceleration of project implementation.	2.92	92.43%	1.84	100	7.57	0	
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 04	Percentage of the MM departmental budget spent ytd	%	MDM – MM	25	15	1.60	50	52	3.04	75	87	3.16	100	68	R3 755 029 out of a budget of R5 487 342 has been spent to date	No challenges	No corrective action required	2.68	68%	2.62	100	32	100	
Financial Viability\ To increase	M – 10	Percentage of Capital Budget	%	MDM –	25	8	1.32	50	23	1.46	75	32	1.43	100	59	R316 695 187 has been spent out of a total	Late appointment of	Implementation of prior planning	1.59	59%	1.45	100	41	50	

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
revenue generation and implement financial control systems\ Expenditure Management	7	spent ytd		CFO											budget of R587 955 637	contractors	and utilisation of reputable contractors							
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M-108	Percentage of Operational budget spent ytd	%	MDM-CFO	25	12	1.48	50	26	1.52	75	52	2.69	100	45	R502 165 884 has been spent out of a total budget of R1 126 688 000	Cash flow challenges	Implementation of the revenue strategy	1.45	45%	1.79	100	55	100
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Manage	M-109	Percentage of operating budget spent on Personnel costs (excl Salaries of councillors ytd	%	MDM-CFO	10	11	2.95	15	43	1.07	20	19	3.03	30	87	R323 098 911 has been spent to date	No challenges	No corrective action required	1.05	87%	2.03	30	-57	35



# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
ment																								
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 05	Percentage of bids approved by MM within 90 days after close of tender ytd	%	MDM – MM	100	3	1.03	100	100	3	100	100	3	100	100	All bids awarded within 90 days averaging 35 days	None	No Corrective action required	3	100%	2.51	100	0	0
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 06	Demand Management Plan approved by Council by 30 June Annually	#	MDM – M	N/A	N/A	N/A	1	1	3	N/A	N/A	N/A	1	1	The demand plan of the Financial Year 2018/2019) is in place	None	No Corrective action required	3	1	3	1	0	1
Financial Viability\ To increase revenue generation and implement financial	M – 16	Percentage of bids adjudicated within 30 days after the development of the	%	MDM – CFO	N/A	N/A	N/A	100	60	1.60	N/A	N/A	N/A	100	90	(WSIG /MIG bids were allocated in term of CIDB Practice note #24	None	No corrective action required	2.90	90%	2.25	100	10	100

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
control systems\ Supply chain management		evaluation report																						
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M-121	Percentage of Bids awarded within 2 weeks after adjudication recommendation	%	MDM-CFO	100	50	1.50	100	50	1.50	100	3	100	90	Accounting Officer has approved all BEC or BAC's recommendation within 2weeks (First week of	None	No corrective action required	2.90	90%	2.23	100	10	0	
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-11	Submission of AG Action Plan to Council by 31 January	#	MDM-MM	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	1	1	AG Action plan has been submitted to council for adoption	None	Early commencement with the implementation of the AG action Plan	3	1	3	1	0	1
Good Governance and Public Participation\ To promote democra	M-12	Percentage of AG queries resolved ytd	%	MDM-MM	N/A	N/A	N/A	N/A	N/A	N/A	40	28	2.70	100	69	83 queries have been resolved	Slow implementation of audit action plan	Fast track the implementation of audit action plan	2.69	69%	2.69	100	31	0.37

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
cy and sound Governance\ Audit																								
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 29	Percentage of Departmental Internal Audit findings resolved ytd	%	MDM – MM	100	53	1.53	100	0	1	100	44	1.44	100	73	150 out of 205 findings have been resolved	Slow implementation of Internal Audit Queries	Internal Audit action plan will be a standing item in the management meeting from 18/19	2.73	73%	1.68	100	27	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 30	Number of quarterly internal audit reports submitted to audit committee ytd	#	MDM – MM	1	1	3	2	2	3	3	3	3	4	4	Four quarterly reports have been submitted to council	None	No corrective action required	3	4	3	4	0	4
Good Governance and Public Participation\ To promote democracy and sound Governance\	M – 31	Annual Audit Plan approved by Audit Committee by 30 June	#	MDM – MM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	The annual audit plan has been approved by the Audit Committee	None	No corrective action required	3	1	3	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Audit																								
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-32	Revised Internal Audit Charter submitted and approved by Audit Committee by 30 June	#	MDM-MM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Internal audit charter has been approved by the Audit Committee	Internal audit charter has been approved by the Audit Committee	None	3		3	1	0	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-33	Percentage of Institutional AG queries responded to within 3 working days	%	MDM-MM	N/A	N/A	N/A	100	0	1	40	28	2.70	100	60	60% audit queries have been responded to within three days	Slow implementation of audit action plan	Fast track the response time of document submission to AG	1.60	60%	1.76	100	40	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-34	Percentage of Departmental Internal Audit queries resolved to within 5 days	%	MDM-MM	100	53	1.53	100	53	1.53	100	45	1.45	100	73	150 out of 205 findings have been resolved within 5 days	Slow implementation of Internal audit queries	Fast track implementation of internal audit queries through internal audit structures such as MANCO	2.73	73%	1.81	100	27	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-35	Number of AG audit queries passed on by AG	#	MDM-MM	0	0	3	0	120	1	N/A	N/A	N/A	N/A	N/A	Not applicable for reporting	None	No corrective action required	N/A	120 Findings	2	0	-120	129
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-37	Unqualified Audit opinion obtained from AG	#	MDM-MM	N/A	N/A	N/A	1	0	1	N/A	N/A	N/A	N/A	N/A	Not applicable for reporting	None	No corrective action required	N/A	Disclaimer	1	1	1	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-38	Percentage of audit committee resolutions implemented ytd	%	MDM-MM	100	60	1.60	100	40	1.40	100	40	1.40	100	87	65 % of audit committee resolution have been resolved.	implementing recommendations by audit committee	Audit Committee resolutions will be a standing item in management	2.87	87%	1.82	100	13	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 48	Number of quarterly performance reports audited within 30 days of end of previous quarter year to date	#	M D M – M M	N/A	N/A	N/A	2	2	3	3	3	3	4	4	Four reports have been conducted	None	No corrective action required	2.75	4	2.91	4	0	4
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M – 18	Number of Back to Basics statistical reports submitted to CoGHSTA by the 10th of each month	#	M D M – M M	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 Back to Basic reports were consolidated and sent to CoGHSTA	None	No corrective action required	3	12	3	12	0	12
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M – 19	Number of Back to Basics statistical reports submitted to CoGTA by the 10th of each month	#	M D M – M M	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 B2B reports were consolidated and forwarded to CoGTA	None	No corrective action required	3	12	3	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Good Governance and Public Participation\ To promote democracy and sound Governance\ Committees	M – 13	Percentage of Council resolutions implemented vsNumber passed	%	MDM – MM	100	0	1	100	100	3	100	100	3	100	100	Majority of the Council Resolution that required implementation were implemented.	None	No corrective action required	3	100	2.5	100	0	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Customer Care	M – 02	Percentage of complaints received on the Presidential and Premier hotlines received (and resolved within 7 days)	%	MDM – OEM	100	100	3	100	100	3	100	100	3	100	100	100 % of the issues raised are solved.	None	No corrective action required	3	100	3.	100	100	100
Good Governance and Public Participation\ To promote democracy and sound Governance\ Integrated Develop	M – 40	Draft IDP approved by Council by 31 March annually	#	MDM – MM	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	N/A	1	Draft tabled at Council on 28 March 2018 and was approved for further consultation with communities.	None	No Corrective action required	N/A	1	3	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
ment Planning																								
Good Governance and Public Participation\ To promote democracy and sound Governance\ Integrated Development Planning	M – 4 1	Final IDP approved by Council by 31 May annually	#	M D M – M M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Final IDP approved on 30 May 2018	None	No Corrective action required	3	1	3	1	0	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Integrated Development Planning	M – 4 2	IDP Process Plan developed, tabled and adopted by Council by end of June	#	M D M – M M	N/A	N/A	N/A	1	1	3	N/A	N/A	N/A	1	1	IDP Process plan is not tabled and adopted by Council. (Draft IDP Process plan is developed and is enroute to Council).	Council postponed the tabling of IDP Process plan from 28/6/2018 to July 2018.	IDP Process plan will be tabled in the next Council sitting.	3	1	3	1	0	1



# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental Relations	M - 01	Percentage of Municipal Managers Forum Resolutions related to department implemented within specified timeframes	%	M D M - M M	100	0	1	100	0	1	100	100	3	100	100	All resolutions were resolved	No meetings were held in the 1 <sup>st</sup> and 2 <sup>nd</sup> quarter.	To resuscitate the Municipal Managers' forum meetings	3	100	2	100	0	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental Relations	M - 157	Percentage of Corporate Services Managers Forum Resolutions related to department implemented within specified timeframes	%	M D M - D C o r p s e r v	100	100	3	100	100	3	100	71	2.71	100	100	Resolutions emanating from this forum were implemented.	Meetings held quarterly difficult to adhere to and tracking on the resolution	These meeting be incorporated into the Corporate Diary.	3	100	2.93	100	0	0
Good Governance and Public Participation\ To promote democracy and sound	M - 148	Percentage of disciplinary cases resolved ytd	%	M D M - M M	100	100	3	100	100	3	100	100	3	100	100	one case has been reported and is ongoing. the other three have been reported in April and	None.	None.	3	100	3	100	0	2

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Governance\ Legal Services															are on-going.									
Good Governance and Public Participation\ To promote democracy and sound Governance\ Municipal Public Accounts Committee (MPAC)	M – 39	Percentage of MPAC resolutions implemented ytd	%	MDM – MM	100	0	1	100	100	3	100	100	3	100	50	One investigation was executed and reported back in council. The oversight report was still to be tabled.	There were technical delays and this caused legislative non-compliance.	The oversight report on the 2016/18 annual report was to be tabled in the council sitting of July 2018.	1.50	50%	2.13	100	50	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M – 14	Mid-year budget and performance report submitted to Provincial Treasury, COGHSTA, and AG by 25 Jan	#	MDM – MM	N/A	N/A	N/A	1	1	3	N/A	N/A	N/A	1	1	The Mid-year report has been compiled and submitted to Provincial Treasury, CoGHSTA and AG	None	No corrective action required	3	1	3	1	0	4
Good Governance and Public Participat	M – 15	Draft Annual Report tabled to Council	#	MDM – M	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	1	1	The Draft Annual report was tabled to council on	None	No corrective action required	3	1	3	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
ion\ To promote democracy and sound Governance\ Performance Management		by 31 Jan		D M - M M											the 31 January 2018									
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M - 16	Final Annual Report approved by Council by 31 March	#	M D M - M M	N/A	N/A	N/A	N/A	N/A	N/A	1	0	1	1	1	The final Annual report was tabled to council on the 30th April 2018	None	No corrective action required	3	1	2.5	1	0	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M - 17	Number of Quarterly SDBIP reports submitted to Council ytd	#	M D M - M M	1	1	3	2	2	3	3	3	3	4	4	The fourth quarter report has been developed and awaits has been tabled to Audit committee and council	None	No corrective action required	3	4	3	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M-20	Draft Annual Performance Report submitted to the AG, Audit Committee and Mayor by 31 August	#	MDM-MM	1	1	3	N/A	N/A	N/A	1	1	3	1	1	The Draft Annual performance report was submitted to the Mayor ,Audit committee and AG	None	No corrective action required	3	1	3	1	0	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M-21	Number of days taken to submit the SDBIP to the Executive Mayor following budget approval	#	MDM-MM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28	27	The SDBIP was signed by the Executive Mayor on the 27th June 2018	None	No corrective action required	2.96	27 days	2.96	28	1	26
Good Governance and Public Participation\ To promote democracy and sound Governance\	M-22	Number of quarterly performance reports audited prior to submission to Council	#	MDM-MM	1	1	3	2	2	3	3	2	1.67	4	4	4th quarterly report audited prior submission	Late submission of quarterly performance report	fast track submission of quarterly performance report	3	4	2.67	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Performance Management																								
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M-43	Number of performance assessments for Section 54/ 56 Managers	#	MDM-MM	1	1	3	N/A	N/A	N/A	1	0	1	N/A	N/A	The performance assessments were conducted on the 16th August 2018 and the Annual Assessments were conducted on the 30th August.	Failure to adhere to the legislative dates due to late appointment of the Audit committee chairperson	To adhere to the legislative dates	N/A	2	2	2	0	2
Good Governance and Public Participation\ To promote democracy and sound Governance\ Performance Management	M-44	Number of Senior Managers (MM & Directors ) with signed performance agreements by 30 June	#	MDM-MM	8	7	2.88	8	7	2.88	8	8	3	7	6	Six Performance Agreements were signed by 6 Section 56 and 1 section 54 managers	The Director from the office of the Executive Mayor has not been appointed	The Director to sign a performance agreement immediately incumbent has signed	2.86	6	2.91	8	2	8
Good Governance and Public	M-2	Percentage of Anti-corruption	%	MDM-	100	0	1	100	100	3	100	0	1	100	100	No anti-corruption resolutions	Nonexistence of the Anti corruption	To establish the anti-forum in	3	100%	2	100	0	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Participation\ To promote democracy and sound Governance\ Risk Management	3	n resolutions implemented ytd		MM											were taken	Forum	18/19							
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 24	Percentage of reported cases of Fraud and corruption resolved ytd	%	MDM – MM	N/A	N/A	N/A	100	100	3	N/A	N/A	N/A	100	100	No fraud cases was reported.	None	No Corrective action required	3	100%	3	100	0	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 25	Risk Assessment report submitted to Council by 30 May	#	MDM – MM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Strategic Risk Assessment is being implemented and monitored on a quarterly basis.	None	No Corrective action required	3	1	3	1	-2	1	
Good Governance and Public Participat	M – 26	Percentage of risk committee resolution	%	MDM – M	100	0	1	100	80	2.80	100	0	1	100	90	90% of the resolutions were implemented	Poor tracking of the resolution	To make it a standing item in Manage	2.90	90%	1.93	100	10	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
ion\ To promote democracy and sound Governance\ Risk Management		ns implemented ytd		M											d.	register	ment							
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 27	Number of Risk monitoring reports submitted to Council ytd	#	M D M – M M	1	0	1	2	2	3	3	0	1	4	4	Four reports were submitted through risk management committee	None	No Corrective action required	3	4	2	4	0	4
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 28	Number of Strategic Risks mitigated ytd	#	M D M – M M	3	0	1	6	1	1.17	9	1	1.11	10	5	Five strategic risk has been mitigated.	Some risk are not budgeted. •Delay in SCM processes. •Shortage of Delay in recruitment process.	Budget. Speed up recruitment plan. Filling of vacant positions	1.50	5	1.20	10	5	1
Good Governance and Public Participation\ To	M – 45	Number of risk management workshop conducted	#	M D M – M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	2	Strategic Risk Management workshop was conducted	None	No Corrective action required	5	2	5	1	-1	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
promote democracy and sound Governance\ Risk Management		d year to date		M											on the 07 June 2018 and 01 June for Audit Committee.									
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 46	Number of Risk management strategy developed and approved by Management and tabled to Council	#	M D M – M	1	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Risk Management strategy has been approved by management and council.	None	No Corrective action required	N/A	1	1	1	0	1	
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 47	Fraud Prevention Strategy updated and approved by Council ytd	#	M D M – M M	1	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Anti fraud and prevention strategy has been approved and its being implemented.	None	No Corrective action required	N/A	1	1	1	0	1	



# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Management	M – 1444	Number of Employees wellness campaigns conducted YTD	#	MDM – DCORPServ	N/A	N/A	N/A	1	3	5	N/A	N/A	N/A	2	4	4 x Employee wellness campaign conducted to date ,i.e. Wellness Day, Municipal games, wellness day, one during Induction as well as those conducted by Supervisor with identified employees in own Directorates .	Lack of EAP awareness due to Negative Financial standing of the Municipality to conduct awareness further .	Directorates to identify and refer EAP related cases to Corporate Services	5	4	5	2	-2	0
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Management	M – 36	Percentage of employees that received paid overtime at an average of 12 months	%	MDM – DCORPServ	10	13	2.85	10	45	1	10	90	1	10	13	12.6% (13)received paid overtime at an average of 12 months ,which was a reduction from 52,15% in March 2018 as a results of new appointments.	Shortage of staff in Fire and Water Services are causes of access payment of overtime	Accelerate the recruitment of a further 15 Fire Fighters and Process Controllers that will reduce the overtime.	2.85	13	1.93	10	-3	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
ment																								
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Labour relations	M – 141	Percentage of implemented resolution taken from the Local Labour Forum ytd	%	M D M – D C o r p S e r v	100	80	2.80	100	80	2.80	100	55	1.55	100	97	95% LLF resolutions have been implemented ranging from Notch Adjustments to Adhoc Acting Allowances	Delays were initially caused by Negative Financial standing of the Municipality to implement the outstanding resolutions.	To allow only resolution that relates to items that are budgeted for	2.97	97%	2.53	100	3	0
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Labour relations	M – 145	Minutes of Local Labour Forum submitted to council by target date	#	M D M – D C o r p S e r v	3	3	3	6	9	4.50	9	80	5	12	20	12 out of the expected 12 minutes together with a further 8 minutes of the special LLF meetings as well as meetings with Individual Unions, were submitted to Councils for consideration via other structures.	Negative Financial standing of the Municipality delayed the finalisation of some issues	Ensure timeous submission of minutes to Council	4.67	20	4.29	12	-8	0
Municipal Transform	M –	Number of	#	M D	2	0	1	2	1	1.50	2	1	1.50	2	1	I position was filled	No challenges	Maintain the	1.50	1	1.38	2	1	3

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual	Annual Score	Annual	Variance	Baseline	
Information and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Organisational Development	50	executive management posts filled after they been vacated YTD		M – D C o r p S e r v											during this period whilst the other was frozen	experienced	standard							
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Skills Development	M – 143	R-value actually spent on implementing its workplace skills plan YTD	%	M D M – D C o r p S e r v	25	8	1.32	50	3	1.06	75	75	3	100	80	An estimated R-Value year to date is R957 000 on the implementation of the WSP ytd from 3 000 000.00 to be funded by LGSETA for Learnership , currently commuted by LGSETA for 5 programmes where agreements were signed by MM	Delay in the generation of the monthly Expenditure report and the appointment of the Training Service Provider	Accelerate the follow up on the procurement of Service Provider and improve on the early generation of the Expenditure reporting.	2.80	80%	2.05	100	20	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual	Annual Score	Annual	Variance	Baseline
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Skills Development	M-146	Number of reports on the implementation of the Workplace Skills Plan submitted to Management ytd	#	MDM-DCORPServ	3	3	3	6	6	3	9	20	5	12	12	12 out of the expected 12 monthly reports submitted to management. 04 quarterly monitoring reports submitted to LGSETA & SALGA.	Negative financial standing in appointing accredited Training Service provider to comply to WSP.	Follow up with SCM on appointment of Service Providers .	3	12	3.5	12	0	0
Spatial Rationale \ To have efficient economic and integrated use of land space\ Spatial Planning	M-173	Conducting SPLUMA training in the district ytd	#	MDM-DPD	2	2	3	4	2	1.50	N/A	N/A	N/A	6	4	SPLUMA workshops conducted as follows: GTM-16/11/2017, GGM-20/09/2017 and GLM-21/09/2017, 22/06/2018, these last 2 sessions could not proceed 28/06/2018 and 29/06/2018	Ba-Phalaborwa , Maruleng and internal could not be workshoped due to the following challenges: BPM-traditional leaders refused their officials for the workshop, Maruleng the workshop was disturbed by the strike and MDM internal stakeholders did not	The Maruleng workshop shall be conducted during 2018/2019 financial year but BPM requires political intervention.	1.67	4	2.05	6	2	0

# Chapter 3

Hierarchy	ID	KPI	UO	OW	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual	Annual Score	Annual	Variance	Baseline
																form a quorum .							

SDBIP – OFFICE OF THE EXECUTIVE MAYOR – VOTES 110, 045, 112, 114 – Key Performance Indicators

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Basic Service Delivery\ To improve community safety, health and social well-being\	M – 59	Percentage of District Disability Forum resolutions implemented YTD	%	MDM – D O E M	100	25	1.25	100	50	1.50	100	100	3	100	100	100% District Disability Forum resolutions implemented YTD	None	No corrective action required	3	100%	2.19	100	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Disability Development																								
Basic Service Delivery\ To improve community safety, health and social well-being\ Disability Development	M – 60	Number of District Disability Forum meetings held YTD	#	MDM – D O E M	1	1		2	5		3	5	4.67	4	1	One District Disability Forum meetings was held on 28 June 2018	None	No corrective action required		5		4	0	4
Basic Service Delivery\ To improve community safety, health and social well-being\ Disability Development	M – 77	Number of Disability Indaba held YTD	#	MDM – D O E M	N/A	N/A	N/A	1	0		N/A	N/A	N/A	1	1	one Disability Indaba held YTD	None	No corrective action required		1		1	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Basic Service Delivery\ To improve community safety, health and social well-being\ Disability Development	M – 7 8	Number of Elders Day Celebration held YTD	#	MDM – D O E M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	The event takes place only once per year during the last quarter and One Elders Day Celebration on YTD on 31 May 2018	None	No corrective action required	3	1	3.00	1	0	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Elders Development	M – 7 9	Number of Elders Dialogue held YTD	#	MDM – D O E M	1	0	1	1	0	1	1	2	5	1	1	Two Elders Dialogue meetings held YTD	None	No corrective action required	3	1	2.50	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Basic Service Delivery\ To improve community safety, health and social well-being\ Elders Development	M – 80	Number of Elders Forum meetings held YTD	#	MDM – DOE M	1	1	3	2	2	3	3	3	3	4	4	Four Elders Forum meetings held YTD	None	No corrective action required	3	4	3.00	4	0	4
Basic Service Delivery\ To improve community safety, health and social well-being\ Elders Development	M – 81	Number of 16 Days of Activism meeting held YTD	#	MDM – DOE M	1	0	1	1	1	3	1	1	3	1	1	one 16 Days of Activism meeting was held on the 04 December 2017	None	No corrective action required	3	1	2.50	1	0	1
Basic Service Delivery\ To improve community safety,	M – 82	Number of Children's advisory Council meeting	#	MDM – DOE	1	1	3	2	3	4.50	3	3	3	4	4	Four Children's advisory Council meeting	None	No corrective action required	3	4	3.38	4	0	1



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
health and social well-being\ Elders Development		held YTD		M											held									
Basic Service Delivery\ To improve community safety, health and social well-being\ Events Management	M – 61	Percentage of Plenary sessions held ytd	%	MDM – D O E M	100	0	1	100	0	1	100	100	3	100	100	plenary meetings held	None	No corrective action required	3	100	2.00	100	0	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Events Manage	M – 63	Number of Events Coordinated YTD	#	MDM – D O E M	3	0	1	6	6	3	9	9	3	12	12	12 Events achieved YTD	None	No corrective action required	3	12	2.50	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
ment																								
Basic Service Delivery\ To improve community safety, health and social well-being\ Events Management	M – 73	Number of Excellence Awards held successfully year to date	#	MDM – D O E M	N/A	N/A	N/A	N/A	N/A	N/A	1	2	5	1	1	1. Excellence Awards for 2018 was held	None	No corrective action required	3	12	4.00	1	-1	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Events Management	M – 74	Number of events whereby logistical arrangements have been made 1 week prior to events	#	MDM – D O E M	3	3	3	3	6	5	9	9	3	12	12	12 Events logistical arrangements arranged	none	No corrective action required	3	12	3.50	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Basic Service Delivery\ To improve community safety, health and social well-being\ Gender Development	M – 64	Percentage of Gender Forum resolutions implemented YTD	%	MDM – DOE M	25	1	1.04	50	50	3	75	100	4.33	100	100	100% Gender Forum resolutions implemented YTD	only BPM the forum is not functional	special meeting will be arranged to resolve the problem	3	100	2.84	100	0	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Gender Development	M – 65	Percentage of Men's Forum recommendations implemented YTD	%	MDM – DOE M	25	25	3	50	50	3	75	100	4.33	100	100	100 Mens Forum resolutions implemented YTD	BPM no mens forum established	special meeting to be arranged to assist BPM	3	100	3.33	100	0	1
Basic Service Delivery\ To improve community safety,	M – 66	Number of Gender Forum Meeting held YTD	#	MDM – DOE	1	1	3	2	2	3	3	3	3	4	4	Four Gender Forum Meeting will held on 12 june	BPM no Gender forum	special meeting will be arranged to resolve the challenge	3	4	3.00	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
health and social well-being\ Gender Development				M											2018									
Basic Service Delivery\ To improve community safety, health and social well-being\ Gender Development	M - 67	Number of Men's Forum meeting held YTD	#	MDM - D O E M	1	1	3	2	2	3	3	3	3	4	4	Four Men's Forum meetings held YTD	BPM there is no men's forum	special meeting will be arranged	3	4	3.00	4	0	4
Basic Service Delivery\ To improve community safety, health and social well-being\ Gender Develop	M - 68	Number of women's caucus held YTD	#	MDM - D O E M	1	1	3	2	2	3	3	3	3	4	4	one women's caucus held YTD	SALGA directives and dissolved to structures	new structure has been elected on the 05 June 2018	3	4	3.00	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
ment																								
Basic Service Delivery\ To improve community safety, health and social well-being\ HIV/AIDS	M – 243	Number of District Health Council activities supported and coordinated ytd	#	MDM – D O E M	1	0	1	2	1	6	6	3	8	8	Achieved	None	No corrective action required.	3	8	1.50	8	0	0	
Basic Service Delivery\ To improve community safety, health and social well-being\ HIV/AIDS	M – 244	District AIDS committee Summit by end of March 2018	#	MDM – D O E M	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	1	1	Achieved	None	No corrective action required.	3	1	2.00	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Basic Service Delivery\ To improve community safety, health and social well-being\ Youth Development	M – 69	Percentage of Children's Rights Parliament recommendations implemented YTD	%	MDM – DOE M	100	0	1	100	50	1.50	100	100	3	100	100	100% Children's Rights Parliament recommendations implemented YTD	None	No corrective action required.	3	100	2.13	100	0	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Youth Development	M – 70	Percentage of Youth Council recommendations implemented YTD	%	MDM – DOE M	25	1	1.04	50	50	3	75	100	4.33	100	100	100 % Youth Council recommendations implemented	None	No corrective action required.	3	100	2.84	100	0	1
Basic Service Delivery\ To improve community safety,	M – 71	Number of Youth Council Meetings held YTD	#	MDM – DOE	1	1	3	2	3	4.50	3	5	4.67	4	8	Eight Youth Council Meetings held YTD	None	No corrective action required.	5	8	4.29	4	-4	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action					
health and social well-being\ Youth Development				M																			
Basic Service Delivery\ To improve community safety, health and social well-being\ Youth Development	M-72	Number of Children's Rights in Parliament held YTD	#	MDM-DOEM	1	1	3	2	2	3	3	3	4	4	No Children's Rights in Parliament this month	None	Children's Rights in Parliament will be held in JULY 2018	3	4	3.00	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 83	Percentage of the budget actually spent related to the Directorate ytd	%	MDM – D O E M	50	0	1	75	0	1	100	100	3	100	70	Budget for the Directorate was spent at 70%	None	No corrective action required.	2.70	70	1.93	100	30	100
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 54	Demand management plans related to the Office of the Executive Mayor developed and submitted to Budget and Treasury YTD	#	MDM – D O E M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Demand Management Plan submitted	None	No corrective action required.	3	1	3	1	0	1



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 84	Percentage of Departmental AG queries responded to within 3 working days	%	MDM – DOEM	100	0	1	100	0	1	N/A	N/A	N/A	100	100	Achieved	None	No corrective action required.	3	100	1.66	100	0	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 85	Percentage of AG queries resolved ytd	%	MDM – DOEM	N/A	N/A	N/A	N/A	N/A	N/A	40	100	5	100	100	Achieved	None	No corrective action required.	3	100	4.00	100	0	0.37
Good Governance and Public Participation\ To promote democracy and sound Governance	M – 86	Percentage of Departmental Internal Audit findings resolved ytd	%	MDM – DOEM	100	100	3	100	0	1	100	100	3	100	100	Achieved	None	No corrective action required.	3	100	2.50	100	0	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
nce\ Audit																								
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M-88	Number of CoGTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM-DOEM	3	3	3	6	0	1	9	9	3	12	12	June Back to Basic Report submitted	None	No corrective action required.	3	12	2.50	12	0	12
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M-89	Number of CoGHST A Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM-DOEM	3	3	3	6		1	9	9	3	12	12	Back to Basic Report for June 2018	None	No corrective action required.	3	12	2.50	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Good Governance and Public Participation\ To promote democracy and sound Governance\ Communication	M – 5 1	Number of District Communicators meetings held successfully year to date	#	MDM – D O E M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	3	3 meeting held in 2017/18 fy	None	No corrective action required.	4.50	3	4.50	2	-1	2
Good Governance and Public Participation\ To promote democracy and sound Governance\ Communication	M – 5 2	Number of internal communication newsletters developed and distributed YTD	#	MDM – D O E M	1	5	5	2		1	3	6	5	4	11	5 Internal communication newsletters were issued during the last quarter	None	No corrective action required.	5	1	4.00	4	0	4
Good Governance and Public Participation\ To promote democracy and	M – 5 3	Number of external communication newsletters that were develop	#	MDM – D O E M	1	1	3	2		1	3	3	3	4	4	the 4th Newslett er was issued for the last quarter	None	No corrective action required.	3	4	2.50	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
sound Governance\ Communication		d and distributed YTD																						
Good Governance and Public Participation\ To promote democracy and sound Governance\ Communication	M – 55	Communication Strategy reviewed and adopted by council ytd	#	MDM – DOEM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	The communication strategy has been reviewed	None	No corrective action required.	3	1	0	1	0	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Customer Care	M – 02	Percentage of complaints received on the Presidential and Premier hotlines received (and resolved within 7 days)	%	MDM – DOEM	100	25	1.25	100	100	3	100	100	3	100	100	All received complaints were resolved	None	No corrective action required.	3	100	2.31	100	0	100

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental Relations	M – 57	Anti-corruption Forum established and functional ytd	#	MDM – DOEM	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A	N/A	N/A	The Forum is not yet established	None	No corrective action required.	N/A	0	1.00	1	1	1
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental Relations	M – 76	Number of Disability Forum Meetings and public awareness held ytd	#	MDM – DOEM	1	1	3	2	4	5	3	3	3	4	4	Six Disability Forum Meetings and public awareness held	none	No corrective action required	3	4	3.50	4	0	4
Good Governance and Public Participation\ To promote	M – 90	Percentage of DOEM Forum Resolutions related to	%	MDM – DOEM	100		1	100		1	100	100	3	100	100	Achieved	None	No corrective action required.	3	100	2	100	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline16/17 Performance	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
democracy and sound Governance\ Intergovernmental Relations		department implemented within specified timeframes ytd		M																				
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 9 2	Strategic Risks mitigated ytd	#	MDM – D O E M	1	1	3	1	0	1	N/A	N/A	N/A	N/A	N/A	Not applicable for reporting	None	NO corrective action required	N/A	1	2.00	1	0	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Traditional	M – 7 5	Number of traditional Leaders meetings held YTD	#	MDM – D O E M	1	3	5	3	4	4.33	3	6	5	4	6	Six traditional Leaders meetings held YTD	none	none	4.50	6	4.71	4	-2	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Performance July 2017/June 2018	Annual Target	Variance from the Annual Target	Baseline 16/17 Performance
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score				
Leaders																							

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## SDBIP – BUDGET AND TREASURY – VOTE 020 – Key Performance Indicators

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17/June 18	Annual Score July 17/June 18	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score				
Financial Viability\ To increase revenue generation and implement financial control systems\ Asset Manage	M-112	R-value unaccounted assets (book value) ytd		MDM-CFO	0	0	3	0	0	3	0	0	3	0	0	All municipal assets have been accounted in the Asset Register	No Challenges	No Corrective Action	3	3	3	0	0

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17	
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action						Score
ment																								
Financial Viability)\ To increase revenue generation and impleme nt financial control systems\ Asset Manage ment	M – 1 1 3	Liquidity ratio (R- value Monetary Assets / R-value Current Liabilities )	%	M D M – C F O	0.40	0	1	0.40	5.13	5	0.40	0.86	5	0.40	0.28	R-Value Monetary Assets / R-Value Current Liabilities 131 173 823.89 / R465 928 367.76 = 0.28	No challenge s	No corrective action	1.40	0:28	3.1	040	0:12	0.44
Financial Viability)\ To increase revenue generation and impleme nt financial control systems\ Asset Manage ment	M – 1 1 4	Current Ratio (R- value current assets / R-value liabilities as ratio)	R a t i o	M D M – C F O	2.10	0.3 6	1	2.10	21.48	5	2.10	1.27	1.08	2.10	1.11	Current Assets / Current Liabilities 520 179 125.89 / 465 928 367.76 = 1.11	No challenge s	No corrective action	1	1:11	2.02	2.10	0:99	1.34
Financial Viability)\ To increase revenue generatio	M – 1 2 6	Valuation of Property Plant and Equipme nt	#	M D M – C F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Valuation of PPE has been done during the	No challenge s	No corrective action	3	1	3	1	0	1



# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
n and impleme nt financial control systems\ Asset Manage ment		conducte d ytd		O											verificatio n process.									
Financial Viability) To increase revenue generatio n and impleme nt financial control systems\ Asset Manage ment	M — 1 2 7	Impleme ntation of the asset steering committee resolutions ytd	%	M D M — C F O	100	100	3	100	100	3	100	100	3	100	100	Asset manage ment resolutio ns are impleme nted.	No Challeng es	No Corrective action	3	100	3	100	0	0
Financial Viability) To increase revenue generatio n and impleme nt financial control systems\ Asset Manage	M — 1 2 8	Number of times fixed asset register updated y.t.d	#	M D M — C F O	3	3	3	6	6	3	9	9	3	12	11	The asset register has been updated	No challenge s	No corrective action	2.92		2.98	12	1	12

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
ment																								
Financial Viability)\ To increase revenue generation and implement financial control systems\ Budget Control and Reporting	M – 100	Number of MFMA S52 reports submitted to Council (year to date)	#	M D M – C F O	1	1	3	2	2	3	3	3	3	4	3	Three reports were submitted to council	No challenges	No corrective action	2.75	3	2.93	4	1	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18	Annual Score July17/June18	Annual Target	Variance from the Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Budget Control and Reporting	M-101	Number of S71 reports submitted to the Executive Mayor, National and Provincial Treasuries within 10 workings days after the end of each month	#	MDM-CFO	3	1	1.33	6	6	3	9	9	3	12	11	Twelve reports were submitted to Executive mayor, Provincial treasuries within 10working days after each month	No Challenges	No corrective Action	2.92	11	2.56	12	1	12
Financial Viability)\ To increase revenue generation and implement financial control systems\ Budget Control and Reportin	M-103	Final budget adopted by Council by end of May 2015	#	MDM-CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	The final Budget 2018/19 was adopted by council on the 31 May 2018 as per budget process plan	No Challenges	No corrective action	3	1	3	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18	Annual Score July17/June18	Annual Target	Variance from the Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
g																								
Financial Viability) To increase revenue generation and implement financial control systems\ Budget Control and Reporting	M – 104	Draft budget tabled to Council by 31 March	#	MDM – CFO	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	N/A	N/A	The draft Budget 2018/19 was tabled in council on the 28/03/2018	No challenges	No corrective action required	N/A	1	3	1	0	1
Financial Viability) To increase revenue generation and implement financial	M – 105	Annual Financial statements drafted and submitted to AG by end Aug	#	MDM – CFO	1	1	3	1	1	3	1	1	3	1	1	The AFS for 2017/2018 will be submitted to AG on the 31/08/2018	No challenges	No corrective action required	3	1	3	1	0	1

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
control systems\ Budget Control and Reportin g																								
Financial Viability) To increase revenue generatio n and impleme nt financial control systems\ Budget Control and Reportin g	M - 9 4	Number of quarterly financial statemen ts submitte d to Council	#	M D M - C F O	1	0	1	2	0	1	3	2	1.67	4	2	Two quarterly financial statemen t were prepared to council	No Challeng es	No Corrective Action	1.50	2	1.29	4	2	4
Financial Viability) To increase revenue generatio n and impleme nt financial control systems\ Budget Control	M - 9 6	Timeous provision of financial informati on for inclusion in the Annual Report in terms of S121	%	M D M - C F O	50	100	5	100	100	3	N/A	N/A	N/A	N/A	1	The annual Report was tabled on the 31 January 2018	No Challeng es	No corrective action required	N/A	100	4	100	99	100

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
and Reportin g																								
Financial Viability) To increase revenue generatio n and impleme nt financial control systems\ Budget Control and Reportin g	M - 9 7	Integrate d Budget process plan develope d and adopted by Council by end August	#	M D M - C F O	1	1	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	IDP & budget process plan was develope d and approved by council on the 31 July 2017	No challenge s	No corrective action	N/A	1	3	1	0	1

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Budget Control and Reporting	M – 98	Adjustments budget submitted to Council ytd	#	M D M – C F O	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	1	1	The Adjustment Budget was submitted to council on the 28/02/2018	No Challenges	No corrective Action	3	1	3	1	0	1
Financial Viability)\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 106	Percentage of creditors paid within 30 days	%	M D M – C F O	100	5	1.05	100	80	2.80	100	80	2.80	100	50	Only 50% of the invoices were paid on time	Cash flow challenges	Collection of revenue from the locals to improve the municipality's cash flow	1.50	50%	2.03	100	50	100
Financial Viability)\ To increase revenue	M – 100	Percentage of Capital Budget	%	M D M – C	25	8	1.32	50	23	1.46	75	32	1.43	100	59	R316 695 187 has been spent out of a total	Late appointment of contractors	No corrective action required	1.59	59%	1.45	100	41	50

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18	Annual Score July17/June18	Annual Target	Variance from the Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
generation and implement financial control systems\ Expenditure Management	7	spent		FO											budget of R587 955 637	rs								
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M-108	Percentage of Operational budget spent	%	MDM-CFO	25	12	1.48	50	26	1.52	75	52	2.69	100	45	R502 165 884 has been spent out of a total budget of R1 126 688 000	Cash flow challenges	Improvement on revenue collection	1.45	45%	1.78	100	55	100
Financial Viability\ To increase revenue generation and implement financial control	M-109	Percentage of operating budget spent on Personnel costs (excl Salaries of councillor	%	MDM-CFO	10	11	2.95	15	43	1.07	20	19	3.03	30	87	R323 098 911 has been spent to date	No challenges	No corrective action required	1.05	87%	2.02	30	-57	35



# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July17/June18	Annual Score July17/June18	Annual Target	Variance from the Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action					
systems\ Expenditure Management		s ytd																					
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 137	Percentage of the CFO departmental budget spent ytd	%	MDM – CFO	25	0		50	0		75	0		100									
Financial Viability\ To increase revenue generation and implement financial control systems\ Revenue Management	M – 111	Revenue enhancement strategy revised and approved by 30 June '18	#	MDM – CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Revenue enhancement strategy was developed and awaiting for the council to approve it	The strategy has not yet been approved by council.	The draft document to be submitted to council for approval.					

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Revenue Management	M – 122	Percentage progress on the Implementation of signed Service Level agreements with Local Municipalities	%	M D M – C F O	100	0	1	100	50	1.50	100	20	1.20	100	0	The District has signed the SLAs with local municipalities, the locals are not complying with the implementation of the SLA.	The local municipalities are not complying with the implementation of SLAs.	The District is busy with the engagements with local municipalities on reviewing the WSP agreements	1	100	1.17	100	100	0
Financial Viability)\ To increase revenue generation and implement financial control systems\ Revenue Management	M – 124	Percentage of debt coverage y.t.d.	%	M D M – C F O	100		1	100	100	3	100	6.27	1.06	100	55,3	The debt coverage is calculate d on the total operating revenue of R783 523 603.66, total operating grants of R781 784 092.27 and interest of R314 460.70 to date,	The municipal ity is grant depende d.	The municipality must make sure that the revenue enhance ment strategy to be approved and implemente d.	5	55.3	2.51	100	-45,3	100

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17	
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action						Score
Financial Viability)\ To increase revenue generation and implement financial control systems\ Revenue Management	M – 125	Percentage of Cost coverage ytd.	%	M D M – C F O	150		1	150	120	2.80	150	16	1.11	150	50	The cost recovery is calculate d on the total cash on hand, total investme nts and the total operating expendit ure.	The municipal ity is grant depende nt.	The municipality to make sure the revenue enhance ment strategy to be approved and implemente d.	1.33	50%	1.56	150	100	58
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain manage ment	M – 110	Number of Supply Chain Deviation reports submitte d to Council year to date	#	M D M – C F O	1	1	3	2	2	3	3	3	3	4	4	4th quarterly report (April-June)	None	No corrective action required	3	4	3	4	0	4

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 115	Number of SCM reports submitted to council and treasuries ytd	#	M D M – C F O	1	1	3	2	2	3	3	3	3	4	4	4th quarterly report (April-June)	None	No corrective action required	3	4	3	4	0	2
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 116	Percentage of bids adjudicated within 30 days after the development of the evaluation report	%	M D M – C F O	N/A	N/A	N/A	100	60	1.60	N/A	N/A	N/A	100	90	(WSIG /MIG bids were allocated in term of CIDB Practice note #24	None	No corrective action required	2.90	90%	2.25	100	10	100

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 119	Percenta ge of infrastruc ture tenders placed on Construct ion Industry Develop ment Board and awarded ( CIDB )website y.t.d	%	M D M – C F O	100	0	1	100	100	3	100	100	3	100	100	Two MIG bids were advertise on CIDB website I-tender	I-tender have removed reporting function of project allocation from Framewo rk contract	CIDB Limpopo Office to assist MDM on reporting function of Allocation	3	100	2.5	100	0	100
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 120	Percenta ge of impleme ntation of the consolida ted demand manage ment plan submitte d to Manage ment y.t.d	%	M D M – C F O	40	100	5	60	30	1.50	80	80	3	100	80	(Awaiting SCM process to be finalized & user departme nt to submit specificat ion)	The user departme nt did not submit 2017/18 Demand Manage ment Plan & only Planning & Develop ment services	MM to assist Senior Managers in submitting a Demand Plan 2018/19	2.80	80%	3.07	100	20	100

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 121	Percentage of Bids awarded within 2 weeks after adjudication recommendation	%	M D M – C F O	100	50	1.50	100	50	1.50	100	100	3	100	90	Accounting Officer has approved all BEC or BAC's recommendation within 2weeks (First week of	None	No corrective action required	2.90	90%	2.22	100	10	0
Financial Viability)\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 710	Percentage of bids awarded within 90 days of advertisement	%	M D M – C F O	100	0	1	100	60	1.60	100	100	3	100	90	All bids awarded within 90	None	No corrective action required	2.90	90%	2.12	100	10	0
Good Governance and Public Participation)\ To	M – 131	Percentage of Departmental AG queries responded	%	M D M – C F	100	0	1	100	0	1	N/A	N/A	N/A	100	95	95% of the findings were resolved	None	No corrective action required.	2.	95		100	5	0

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
promote democra cy and sound Governance\ Audit		d to within 3 working days		O																				
Good Governan ce and Public Participation\ To promote democra cy and sound Governance\ Audit	M — 1 3 2	Percenta ge of AG queries resolved	%	M D M — C F O	N/A	N/A	N/A	N/A	N/A	N/A	40	25	1.63	100				1	25	1.31	100	75	37	
Good Governan ce and Public Participation\ To promote democra cy and sound Governance\ Audit	M — 1 3 3	Percenta ge of Departm ental Internal Audit findings resolved (MM)	%	M D M — C F O	100	0	1	100	0	1	100	0	1	100	60	60% of the findings were resolved	None	No corrective action required.	1	60	1	100	40	0
Good Governan ce and Public	M — 1 3	Number of CoGHST A Back	#	M D M —	3	0	1	6	6	3	9	8	2.89	12	8	Eight out of twelve reports were	None	No corrective action	1	8	1.97	12	4	12

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action	Score					
Participation\ To promote democracy and sound Governance\ Back to Basics	4	to Basics statistical reports submitted to M&E by the 7th of each month		CFO											submitted		required.							
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M – 135	Number of CoGTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM – CFO	3	0	1	6	6	3	9	8	2.89	12	8	Eight out of twelve reports were submitted	None	No corrective action required.	1	8	1.97	12	4	12
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental	M – 136	Percentage of Chief Financial Officers Forum Resolutions related to department implemented within	%	MDM – CFO	100	0	1	100	0	1	100	100	3	100					1	100	1.5	100	75	0



# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17	
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action						Score
Relations		specified timefram es																						
Good Governance and Public Participation\ To promote democracy and sound Governance\ Legal Services	M - 1 0 2	Number of budget related policies reviewed and approved by Council y.t.d	#	M D M - C F O	3	12	5	6	12	5	3	12	5	12	12	Twelve budget related policies were reviewed and approved by council	No challenge s	No corrective required	3	12	4.5	12	0	12
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M - 1 3 8	Strategic Risks mitigated ytd	#	M D M - C F O	1	0	1	1	0	1	1	0	1	1					1	0	1	1	1	1

# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performa nce July17/Ju ne18	Annua l Score July17 /June1 8	Annua l Target	Varian ce from the Annua l Target	Baseli ne16/ 17	
					Target	Act ual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achieve ments	Challeng es	Corrective Action						Score
Municipal Transfor mation and Organisa tional Develop ment\ To inculcate entrepren eural and intellectu al capabiliti es\ Skills Develop ment	M - 1 2 3	Number of SCM workshop s conducted with internal stakehold ers ytd	#	M D M - C F O	1	0	1	1	1	3	2	2	3	2	2	Yes Fleet worksho p & Stock Worksho p	No	No	3	2	2.5	2	0	2

SDBIP – CORPORATE SERVICES – VOTE 090, 095, 100, 105 – Key Performance Indicators

Hierarchy	I	KPI	UO	OW	Sep 17	Dec 17	Mar 18	Jun 18	Actual	Annual	Annual	Variance	Baseline
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# Chapter 3

y	D		M	n e r	Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challeng es	Corrective Action	Score	Annua l Performanc e July 17/Ju ne18	score July 17/Ju ne18	Target	from Annua l Target	16/17
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 149	Percentage of Directorate budget actually spent	%	M D M – D C o r p s e r v	50	45	2.90	75	72	2.96	100	72	2.72	100	69	By end of June 69% of the Directorate budget was spent	Delay in the appointment of Training Service Providers due to negative municipal financial standing	Follow up with SCM and improvement of Municipal Financial standing	2.69	69%	2.81	100	31	100
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M – 139	Demand management plans related to Corporate Services developed and submitted to B&T y.t.d	#	M D M – D C o r p s e r v	1	1	3	N/A	N/A	N/A	1	1	3	1	1	1 out of 1 Demand Management Plan was developed and submitted way before the given time frame	No challenges	No corrective action required	N/A	1	3	1	0	0
Good Governance and Public Participation\ To	M – 169	Percentage progress in reviewing the records management system	%	M D M – D C	10	10	3	60	20	1.33	80	80	3	100	100	The file plan review process is concluded and is approved.	No challenges	No corrective action required	3	100	2.58	100	0	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
promote democracy and sound Governance\ Administration		ytd		orpserv																					
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-152	Percentage of Departmental AG queries responded to within 3 working days	%	MDM-DCorpserv	N/A	N/A	N/A	N/A	N/A	N/A	40	40	3	100	110	All AG queries were responded to and mitigated within the required time period	No challenges	No corrective action required	3.10	110	3.05	100	-10	0	
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M-153	Percentage of AG queries resolved ytd	%	MDM-DCorpserv	0	80	N/A	0	95	N/A	40	40	3	100	95	95% of the AG queries were attended to and awaiting verification by Internal Audit	Cross cutting SCM, Recruitm ent, PMS Cascadin g and Finance related challenges	Aggressive approach towards resolving the SCM, Recruitment and Finance related challenges	2.95	95	2.97	100	5	4	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Good Governance and Public Participation\ To promote democracy and sound Governance\ Audit	M – 154	Percentage of Departmental Internal Audit findings resolved ytd	%	MDM – DCORPServ	100	80	2.80	100	100	3	100	100	3	100	95	95 % of the Internal Audit findings were attended to during the reporting period	Some findings are cutting across the whole institution like SCM and recruitment process	Aggressive Focus on resolving the said issues	2.95	95	2.93	100	5	0	
Good Governance and Public Participation\ To promote democracy and sound Governance\ Back to Basics	M – 155	Number of Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM – DCORPServ	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 B2B reports were submitted within the given time frame	No challenges	No corrective action required	3	12	3	12	0	12	
Good Governance and Public Participation\ To promote democracy and	M – 156	Number of Back to Basics statistical reports submitted to M&E by the 7th of each	#	MDM – DCORPServ	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 B2B reports were submitted to M&E within the give timeframe	No challenges	No corrective action required	3	12	3	12	0	12	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
sound Governance\ Back to Basics		month		Serv																				
Good Governance and Public Participation\ To promote democracy and sound Governance\ Customer Care	M - 150	Customer services survey on municipal services in the municipality ytd	#	MDM - D C o r p S e r v	1	1	3	0	1	N/A	2	1	1.50	2	0	Customer Satisfaction survey was not conducted the Directorate affected will conduct in 18/19	The Indicator can only be implemented in the Office of the Executive Mayor through Public Participation	The indicator will be implemented in the said office in 18/19	1.00	1	1.83	2	1	0
Good Governance and Public Participation\ To promote democracy and sound Governance\ Intergovernmental Relations	M - 157	Percentage of Corporate Services Managers Forum Resolutions related to department implemented within specified timeframes ytd	%	MDM - D C o r p S e r v	100	100	3	100	100	3	100	71	2.71	100	100	All resolutions emanating from the Corporate Services Managers forum were all implemented.	No challenges	No corrective action required	3	100	2.92	100	0	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Good Governance and Public Participation\ To promote democracy and sound Governance\ Risk Management	M – 158	Strategic Risks mitigated ytd	#	MDM – DCORPServ	1	1	3	2	4	5	2	2	3	2	2	2 out of 2 Strategic Risks have been mitigated during the reporting period	No challenges	No corrective action required	3	2	3.5	2	0	1	
Good Governance and Public Participation\ To strengthen record keeping & knowledge management\ Information Technology	M – 170	Percentage of completion of development of the DRP ytd	%	MDM – DCORPServ	10	0	1	70	0	1	N/A	20	N/A	N/A	100	The DRP project was finalised and the DRP documents were received. Implementation will resume in 2018/19 FY	Late implementation due to financial constraints after budget adjustment	No corrective action required	N/A	20	1	100	70	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
Good Governance and Public Participation\ To strengthen record keeping & knowledge management\ Information Technology	M-171	Percentage of completion of development of the MSP ytd	%	MDM - DCORPServ	10	15	4.50	70	15	1.21	N/A	20	N/A	N/A	100	The project for review of MSP (IT Strategy) was finalised and strategy (MSP) documents received.	None.	No corrective action required.	N/A	20	2.85	100	70	0
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Manage	M-144	Number of Employees wellness campaigns conducted YTD	#	MDM - DCORPServ	N/A	N/A	N/A	1	3	5	N/A	N/A	N/A	2	4	4 x Employee wellness campaign conducted to date ,i.e. Wellness Day, Municipal games, wellness day, one during Induction as well as those conducted by Supervisor with identified employees in own Directorates.	None	No corrective action required	5	4	5	2	-2	0



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
ment																									
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Management	M-161	Number of existing policies reviewed and ready for adoption by Council structures YTD	#	MDM - DCORPServ	6	15	5	8	15	5	10	15	4.50	12	15	15 policies have been reviewed by Policy subcommittee and en route to Council for adoption via other relevant structures	No challenges	No corrective action required	3.25	15	4.43	12	-3	0	
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial	M-164	Percentage of women recruited according to the recruitment plan ytd	%	MDM - DCORPS	2	1	1.50	4	1	1.25	6	7	3.17	8	32.50	15 x women were interviewed during this reporting period/quarter and six of them appointed as Junior Fire	No challenges	No corrective action required	5	32.73	2.73	8	-24.50	9	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Municipal and intellectual capabilities\ Human Resource Management				Service											Fighters, but to date, 32.5% are constituting the entire work force.										
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Management	M-165	Percentage of people with disability recruited ytd	%	MDM - Corporate Service	1	1.70	5	2	1.70	2.85	3	1.70	1.57	4	1.70	No employee/s with disabilities were appointed during the reporting period, however, there is 1.63% disabled staff within the work force. NB. the National target should be 2% instead of 3%	No challenges	Aggressive targeting of appointment of people with disabilities, by engaging the disability desk.	1.43	1.70	2.71	4	2.30	0	
Municipal Transformation and Organisational	M-168	Percentage of posts filled timeously ytd	%	MDM - DC	50	80	4.60	50	80	4.60	70	80	3.14	80	95	None during the reporting period, however 95% posts were filled	Negative Financial Standing of the Municipality	Improvement of the financial status of the Municipality	3.19	95	3.88	80	-15	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Development\ To inculcate entrepreneurial and intellectual capabilities\ Human Resource Management				orpserv											timeously.	disables the filling of critical positions timeously									
Municipal Transfor mation and Organisa tional Develop ment\ To inculcate entrepreneurial and intellectu al capabilities\ Human Resource Manage ment	M-36	Percentage of employees that received paid overtime at an average of 12 months ytd	%	MDM – D Corp serv	10	13	2.85	10	45	1	10	13	2.85	10	13	12.6% (13) received paid overtime at an average of 12 months ,which was a good reduction from 52,15% in February 2018 as a results of new appointments.	Shortage of staff in Fire and Water Services are causes of access payment of overtime	Accelerate the recruitment of a further 15 Fire Fighters and Process Controllers that will reduce the overtime.	2.85	13	2.38	10	-3	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Labour relations	M-141	Percentage of implemented resolution taken from the Local Labour Forum ytd	%	MDM – DCORPSERV	100	80	2.80	100	80	2.80	100	96	2.96	100	97	100% LLF resolutions have been implemented ranging from Notch Adjustments to Adhoc Acting Allowances	Delays were initially caused by Negative Financial standing of the Municipality to implement the outstanding resolutions.	Expedite the few queries outstanding	2.97	97	2.88	100	3	0	
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Labour relations	M-145	Minutes of Local Labour Forum submitted to council by target date ytd	#	MDM – DCORPSERV	3	3	3	6	9	4.50	9	17	5	12	20	12 out of 12 set of minutes together with a further 8 minutes of the special LLF meetings as well as meetings with Individual Unions, were submitted to Councils for consideration via other structures.	Negative Financial standing of the Municipality delayed the finalisation of some issues	Ensure timeous submission of minutes to Council	4.67	20	4.29	12	-8	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Organisational Development	M-162	Number of attitude and moral survey conducted.  YTD.	#	MDM – DCORPSERV	N/A	N/A	N/A	N/A	N/A	N/A	1	1	3	N/A	N/A	1 out of 1 employee satisfaction survey was conducted in 8 directorates to date	Some employees not co-operating and only one satellite responded in terms of sending back the filled questionnaires	Follow up to be made and also finalise the remaining offices	N/A	1	3	1	0	0	
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Organisa	M-163	Percentage progress with the review and approval of the Organogram by Council for next financial year	%	MDM – DCORPSERV	N/A	100	N/A	20	100	5	60	90	4.50	100	95	The high level functional structure has been finalised and awaiting presentation to the relevant portfolios and approval by council	non-adherence to the scheduled meetings	Adhere to the scheduled appointments for timeous delivery of the products	2.95	95%	4.15	100	5	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performanc e July 17/June18					
ational Development																									
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Organisational Development	M – 50	Number of executive management posts filled after they been vacated YTD	#	MDM – Director	2	0	1	2	1	1.50	2	1	1.50	2	0	No executive position was vacant during this period, but advert was issued to fill one vacant executive post	We are still awaiting the appointment processes to be finalised	Accelerate the filling as per schedule on the appointment of Snr Managers	1.00	1	1.37	2	1	3	
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial	M – 143	R-value actually spent on implementing its workplace skills plan YTD	%	MDM – Director	25	8	1.32	50	3	1.06	75	745	5	100	80	R957 000 was spent on the implementation of the WSP ytd	Delay in the appointment of the Training Service Provider	Accelerate the follow up on the procurement of Service Provider and improve on the early generation of the Expenditure	2.80	80%	2.54	100	20	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
and intellectual capabilities\ Skills Development				rv													reporting.								
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Skills Development	M – 146	Number of reports on the implementation of the Workplace Skills Plan submitted to Management ytd	#	MDM – DCORPServ	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 monthly reports submitted to management, and 04 quarterly monitoring reports submitted to LGSETA & SALGA.	No challenges	No corrective action required	3	12	3	12	0	0	
Municipal Transformation and Organisational Development\ To	M – 147	Skill Development Plan developed and submitted to SETA by	#	MDM – DCOR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1 out 1 WSP submitted to SETA within the new given time frame which is April	Not all employees completed and returned the skills audit	Council to accelerate appointment of a service provider to conduct an intensive skills audit	3	1	3	1	0	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
inculcate entrepreneurial and intellectual capabilities\ Skills Development		end of June		pserv												questionnaire	for all employees.							
Municipal Transformation and Organisational Development\ To inculcate entrepreneurial and intellectual capabilities\ Skills Development	M-166	Percentage of spending on of the training budget. YTD	%	MDM – DCORPServ	5	3	1.60	25	39	4.56	50	55	3.10	100	55	55 % (R870 000.00)spent on the implementation of the training budget as at the reporting period.	Delay in the appointm ent of training providers is the cause of low expendit ure	SCM ensure rapid advertise ment of training programme s	1.55	55%	2.70	100	45	0
Municipal Transformation and Organisational Development\ To	M-167	Number of targeted internal and external trainees and/or cooperatives in various	#	MDM – DCOR	40	3	1.08	65	44	2.68	120	143	3.19	160	1032	1032 internal and external trainees including Councillors were trained	No funding commitm ents from LGSETA for external (unemplo	Follow up with SCM to accelerate the appointment of Training Service	5	1032	2.98	160	-872	0



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score				
inculcate entrepreneurial and intellectual capabilities\ Skills Development		fields as per the WSP ytd		pserv													yed trainees) and that the intended number not attained due to non-appointment of training providers .	Providers					

SDBIP – PLANNING AND DEVELOPMENT – VOTE 030 – Key Performance Indicators

Hierarchy	ID	KPI	UO	OW	Sep 17	Dec 17	Mar 18	Jun 18	Actual	Annual	Anua	Variance from the	Baseline
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# Chapter 3

			M n e r		Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Performance July 2017/2018	Target	Annual Target	16/17
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M_188	Demand management plans related to Panning and Development developed and submitted to Budget and Treasury YTD	#	M D M - D P D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Demand management plan was submitted to Budget & Treasury.	No challenges	None required	3	1	3	1	0	1
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M_182	Percentage of AG queries resolved ytd	%	M D M - D P D	N/A	N/A	N/A	N/A	N/A	N/A	40	100	5	100	100	100% (2/2) of AG queries resolved	No challenges	None required	3	100%	3	100	0	4
Good Governance and Public Participation \ To promote democracy and sound Governance	M_183	Percentage of Departmental Internal Audit findings resolved	%	M D M - D P D	100	60	1.60	100	65	1.65	100	70	2.70	100	85	85% of Internal Audit findings were resolved. Appointment of service providers for GIS and Spatial Planning were appointed in April 2018. GIS	Due to late procurement only 50% of the SDF Review processes could	Budget provision for the remaining 50% of the SDF Review processes budgeted	2.85	85%	2.2	100	15	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Performance July 2017/2018	Annual Target		
\ Audit		ytd													software procured and review of the SDF process @ 50% as at June 2018.	be finalised by June 2018.	for( R600 000) 2018/19							
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M_531	Percentage of Departmental AG queries responded to within 3 working days	%	MDM - DPPD	100	100	3	100	100	3	N/A	N/A	N/A	100	100	Information required by AG submitted as required	No challenges	None required	3	100%	3	100	0	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M_184	Number of CoGHST A Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM - DPPD	3	3	3	6	6	3	9	9	3	12	12	12/12 reports submitted	No challenges	None required	3	12	3	12	0	12
Good Governance and Public Participation \ To	M_185	Number of CoGTA Back to Basics	#	MDM - D	3	3	3	6	6	3	9	9	3	12	12	12/12 reports submitted	No challenges	None required	3	12	3	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/ 2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/ 2018				
promote democracy and sound Governance \ Back to Basics		statistical reports submitted to M&E by the 7th of each month		PD																				
Good Governance and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	M_175	Heads of Departments of Planning and Development forum meetings coordinated ytd	#	MDM – DPD	1	2	5	2	3	4.50	2	4	5	4	5	6 HOD meetings coordinated as follows: 20 July 2017; 7 September 2017; 1 November 2017, 8 February 2018, 4 March 2018; 13 June 2018. 5 meetings held and the February 2018 meeting did not corrode.	*Inconsistent attendance by locals.  * Non implementation of resolutions taken	The LED Chairperson agreed to inviting the LED Chairs & MMC and Planning Directors to discuss and jointly decide on corrective action.	3.25	5	4.44	4	-1	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Risk Management	M_186	Strategic Risks mitigated ytd	#	MDM – DPD	1	1	3	2	1	1.50	2	2	3	2	2	Risks identified have been mitigated	No challenges	None required	3		2.63	2	0	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Target			
Local Economic Development\ To promote Economic Sectors of the District\ Local Economic Development (LED)	M_176	Training of Small Medium and Macro Enterprises within the district ytd	#	MDM - DPD	2	2	3	3	4	4.33	3	4	4.33	5	6	A total of 6 sessions were held-(5 training & 1 awareness programme) :4 SMME training sessions and 1 Youth Entrepreneurship workshop were conducted successfully during the financial year 17/18. all the four trainings happened as follows: * 26 - 28 August 2017 in Maruleng Thusong Centre * 18 - 21 September 2017 in Greater Giyani Leda Boardroom. * 24 - 27 October 2017 Maruleng * 19 - 21 December 2017 in Ba-Phalaborwa Municipality. The Youth Entrepreneurship Workshop was successfully coordinated at Karibu Lodge from 11 - 13 June	No challenges	None required	3.20	6	3.72	5	-1	0

# Chapter 3

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															2018 to select 70 youth for Incubation programme. a further SMME awareness was conducted in Nkowankowa on the 23 April 2018 with DSBD									

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17	
															32 Entrepreneurial Development events were coordinated to promote SMMEs as follows:  a) 6 Training sessions that exposed 169 entrepreneurs on Basic Business Skills were held as follows: Greater Giyani on 18-21 Sep 2017; Maruleng on 21 July 2017; Tzaneen on 10-13 Oct 2017; Phalaborwa on 19-21 Dec 2017; Maruleng on 21-24 Nov 2017; Maruleng on 24-27 Oct 2017  b) 5 trade shows that exposed 47 SMMEs to showcase their products & services were coordinated as follows: - Letaba show exhibition was held successfully on the 09th – 12th August 2017; - The Agri-Expo Show was successfully conducted on the 27th - 28th									

# Chapter 3

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Local Economic Development\ To promote Economic Sectors of the District\ Local Economic Development (LED)	M_179	To create a conducive environment and ensure support to key economic sectors i.e Agriculture, mining , manufacturing and tourism ytd	#	MDM – D P D	1	2	5	2	2	3	N/A	N/A	N/A	3	12	5 Information sharing sessions held for the economic sectors. Progress on 10 MOUs/partnerships initiatives is as follows: 1. South African Development Communities (SADC) 95% served at Portfilio, 2. SEDA 90% final draft ready and signing off outstanding, 3. YEPSA- under consideration, 4. Glen Steyn & Associates - dismissed, 5.KNP - areas of partnership must be finalised 6.DSBD- Deputy Minister launched the partnership in April, making in route with officials, nothing tangible yet 7. IDC - under consideration, 8. Kinfed (PTY)LTD on Tourism -	Delayed responses on partners for signing of MOUs	Further reminders and engagements will continue	5	12	4.33	3	-9	0



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
															reliant on Maruleng Municipality's consent) 9. GIS information - DRDLR 10. Letaba Tvet College on skills development								

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018					
Local Economic Development\ To promote Economic Sectors of the District\ Local Economic Development (LED)	M_180	Development of the status quo of mining in the district ytd	#	MDM – DPD	1	2	5	2	2	3	N/A	N/A	N/A	3	6	The status squo mining was developed through technical sessions. Mining stakeholders session was held on the 24th October 2017 at Tzaneen. The Analysis phase was held on the 27-28 July, The strategies phase was held on the 11-12 September 2017 and the project phase was on the 21 November 2017. Two LED Forum Meetings with the inclusion of Mining Sector were conducted as follows: - 24th April 2018 in Disaster Center - 27th June 2018 at Disaster Centre	None	No corrective action required	5	5	4.33	3	-3	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Performance July 2017/2018	Annual Target		
Local Economic Development\ To promote Economic Sectors of the District\ Local Economic Development (LED)	M_181	Percent budget spent of the directorate ytd	%	MDM – DPD	25		1	50	56.65	3.13	75	70	2.93	100	95	It is projected that 95% of the budget is spent. By March,90% of the total budget had been spent ( in line with BTO 3rd quarter section 71 report- R12 776M/ R14 159M)	Financial reports not table during reporting period.	BTO should avail financial reports on time or avail accessing of the system by directors ( viewing status).	2.95	95%	2.50	100	5	75
Local Economic Development\ To promote Economic Sectors of the District\ Local Economic Development (LED)	M_521	Coordination of (and reporting on) EPWP ytd	#	MDM – DPD	1	2	5	2	2	5	3	9	5	4	12	12EPWP meetings were coordinated and held successfully as follows: 4 August 2017, 22 August 2017; 6 October 2017; 1 November 2017; 20 November 2017, 15 December 2017; 4 January 2018; 21February 2018; 23 March 2018 16th April 2018 in the Planning and Development Office 18th May 2018 at Disaster Centre; 8th June 2018 at P&D Director's	None	No corrective action required	5	12	5	4	-11	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Target			
																office								
Spatial Rationale)\ To have efficient economic and integrated use of land space)\ Geographic Information System (GIS)	M_174	Development of GIS framework and approval by council ytd	3	MDM – DPPD	1	0		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	The draft GIS policy served twice at MANCO and once in the GIS forum, and was also given to line managers as to allow for inputs, comments, and guidance. It was then resolved that the draft GIS policy/framework undergo public participation with all other organisational policies where after same will serve before council. The policy also formed part of the Policy session for Cllrs.	* The draft policy has been ready since Sept 2017 but has not reached Council for consideration due to the decision taken that all institutional policies be considered at once.	*Comments submitted should be effected  * It is more realistic for Council to consider policies which are ready for tabling than consider all policies at once.	N/A	0	1	1	1	0
Spatial Rationale)\ To have efficient economic and integrated use of land space)\	M_271	Training conducted on GIS (to the Municipal officials) ytd	#	MDM – DPPD	2	2		4	2		5	4		6	4	Four training conducted for Greater Tzaneen, Greater Giyani , Maruleng and Ba-Phalaborwa Local Municipalities.	Training for MDM internal staff and for Letaba LM could not be conducte	Reschedule the training		4		6	2	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018	Annual Target			
Geographic Information System (GIS)																d due to qaurnum issues and clashes on schedules.								
Spatial Rationale)\ To have efficient economic and integrated use of land space)\ Spatial Planning	M_172	Establishment of a functional Spatial Development Framework and GIS steering committee ytd.	#	M D M - D P D	1	1	3	2	1	1.50	3	2	1.67	4	3	Functional SDF steering committee established on 3 August 2017. Four meetings were coordinated on 03/08/2017, 08/03/2018, 19/04/2018 and 29 June 2018	Three meetings were successful and one failed owing to draft discussion document completed late by the service provider.	Another date to be set in July 2018.	2.75	3	2.23	4	1	0
Spatial Rationale)\ To have efficient economic and integrated use of land space)\ Spatial	M_173	Conducting SPLUMA training in the district ytd	#	M D M - D P D	2	2	3	4	2	1.50	N/A	N/A	N/A	6	4	SPLUMA workshops conducted as follows: GTM-16/11/2017, GGM-20/09/2017 and GLM-21/09/2017, 22/06/2018, these last 2 sessions could	Ba-Phalaborwa, Maruleng and internal could not be workshoped due to the	The Maruleng workshop shall be conducted during 2018/2019 financial year but BPM requires	1.67	4	2.05	6	2	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual Performance July 2017/2018	Annual Target	Variance from the Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 2017/2018				
Planning															not proceed 28/06/2018 and 29/06/2018	following challenges: BPM-traditional leaders refused their officials for the workshop, Maruleng the workshop was disturbed by the strike and MDM internal stakeholders did not form a quarum.	political intervention.							

SDBIP – ENGINEERING SERVICES – VOTE 050, 064, 065 – Key Performance Indicators

Hierarchy	I	KPI	UO	OW	Sep 17	Dec 17	Mar 18	Jun 18	Actual	Annual	Annual	Variance	Baseline
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# Chapter 3

	D		M	n e r		Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June 18	score July 17/June 18	Target	from Annual Target	16/17
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 189	Number of Regional Infrastructure Grant reports submitted to DWS YTD	#	M D M – D E n g	3	2	1.67	6	6	3	9	7	2.78	12	10	Ten (10) reports submitted to DWS	The contractors were off-site for the month of August and September 2017, due to termination of the engineer	Close monitoring  Accelerate implementation of the project.	2.83	10	2.57	12	2	12	
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 190	Number of MIG reports submitted to COGHSTA ytd	#	M D M – D E n g	3	3	3	6	6	3	9	9	3	12	12	Twelve (12) reports submitted to CoGHSTA	No challenges	No corrective action required	3	12	3	12	0	12	
Basic Service Delivery\ To have integrated infrastructure development	M – 194	Percentage of progress in the development municipal infrastruc	%	M D M – D E n	25	0	1	50	0	1	N/A	100	N/A	100	0	The municipal infrastructure investment plan has not yet been	The municipality has not budgeted for the	To budget for the development of the plan in 18/19	1	1	1	100	100	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
Infrastructure Planning		Infrastructure investment plan ytd		g											developed	development of the plan in this FY								
Basic Service Delivery\ To have integrated infrastructure development \ Project Management	M – 196	Number of water projects towards the provision of water to the District ytd	#	MDM – Design	13	13	3	13	15	3.15	13	15	3.15	13	15	4 out of the 15 Water projects have been completed.	No challenges	No corrective action required	3.15	15	3.11	13	-2	13
Basic Service Delivery\ To have integrated infrastructure development \ Project Management	M – 197	Percentage contractors with progress and performance that conform to the contract Requirements ytd	%	MDM – Design	100	100	3	100	100	3	100	100	3	100	100	All contractors for projects which are on construction have met their contractual obligations.	No challenges	No corrective action required	3	100%	3	100	0	0
Basic Service Delivery\ To have	M – 19	Percentage of resolutions	%	MDM –	100	100	3	100	100	3	100	100	3	100	100	All contractors and consultants	No challenges	No corrective action	3	100%	3	100	0	0



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Integrated infrastructure development\ Project Management	8	implemented related to the contractors meetings ytd		D E n g											meeting resolutions were implemented		required								
Basic Service Delivery\ To have integrated infrastructure development\ Project Management	M - 1 9 9	Percentage of contractors who are on schedule (with their gantt chart) ytd	%	M D M - D E n g	100	16		100			100	68		100	90.22	14 out of 22 contractors are on schedule.  1 Contractor terminated.  =14/23 = 66.66	Slow progress on site  Delays in procurement of materials	Close monitoring  Cession agreements are used to assist contractors with procurement of materials		100%		100	9.78	0	
Basic Service Delivery\ To have integrated infrastructure development\ Project Management	M - 2 0 0	Percentage of contractors who are behind schedule ytd	%	M D M - D E n g	0	42		0			0	31.80		0	10	Gradual improvement by some of the non performing contractors	8 out of 22 Contractors are behind schedule	Close monitoring		10		0	-10	0	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
Basic Service Delivery\ To have integrated infrastructure development\ Project Management	M – 201	Percentage of contractors who are deficient and needs intervention ytd	%	MDM – DENG	0	13	2.87	0	0	1	0	18	2.82	0	12	4 out of 22 contractors needs intervention	Slow progress on site  Delays in delivery of materials	Close monitoring	2.88	12	2.14	0	-12	0
Basic Service Delivery\ To have integrated infrastructure development\ Project Management	M – 202	Conducting of workshops on contract management ytd	#	MDM – DENG	1	0	1	N/A	N/A	N/A	2	1	1.50	2	1	Only one CIDB workshop was successfully conducted to date	No challenges	No corrective action required	1.50	1	1.33	2	1	0
Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	M – 195	Number of VIP ablution facilities for provision of sanitation in the District ytd	#	MDM – DENG	N/A	N/A	N/A	N/A	N/A	N/A	0	0	1	265	0	The Contractor has been appointed for the Mopani Rural Household Sanitation Project	Late appointment of Contractor	Accelerate implementation of the project	1	0	1	265	265	0

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Financial Viability\ To increase revenue generation and implement financial control systems\ Budget Control and Reporting	M – 272	Demand management plans related to Directorate developed and submitted to Budget and Treasury YTD	#	MDM – D E n g	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	1	1	One demand management plan was submitted ytd	No challenges	No corrective action required	3	1	3	1	0	1
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M – 191	Percentage R-value spent on MIG ytd	%	MDM – D E n g	25	5.69	1.23	50	38.50	2.77	75	48	1.64	100	90.22	90.22% of the MIG budget was spent	Slow progress on site by some contractors.  Late appointment of contractors	Close monitoring  Acceleration of projects	2.90	90.22%	2.13	100	9.78	32.12
Financial Viability\ To increase revenue generation and implement	M – 193	Percentage Regional Infrastructure Grant RBIG	%	MDM – D E n	25	0	1	50	2.90	1.06	75	21	1.28	100	23.95	Total RBIG Exp:R7 187 048.61 / R30 000 000 = 23.95%	Slow progress on site Delays in proces	Close monitoring  MDM to timeously effect	1.24	23.95%	1.14	100	76.05	100

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
financial control systems\ Expenditure Management		spent y.t.d		g												sing of payment certificates by MDM finance department	payment of the service providers							
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M - 208	Percentage of the Engineering Services departmental budget spent ytd	%	MDM - D E n g	25	12		50		1	75	54		100	100	The Directorate has spent 60% of the operational budget.	No challenges	No corrective action required	3	100%		100	0	12
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M - 203	Percentage of AG queries resolved ytd	%	MDM - D E n g	N/A	100	N/A	N/A	100	N/A	40	100		100	23.95	There were no AG queries related to the Engineering Services directorate	No challenges	No corrective action required	1.24	23.95 %		100	76.05	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M – 204	Percentage of Departmental Internal Audit findings resolved ytd	%	MDM – D E n g	100	100	3	100	100	3	100	100	3	100	100	All internal audit findings have been resolved	No challenges	No corrective action required	3	100%	3	100	0	12	
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M – 454	Percentage of Departmental AG queries responded to within 3 working days	%	MDM – D E n g	100	100	3	100	100	3	N/A	100	N/A	100	100	There were no AG queries related to the directorate	No challenges	No corrective action required	3	100%	3	100	0	0	
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M – 205	Number of CoGTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM – D E n g	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 Back to Basics reports submitted	No challenges	No corrective action required	3	12	2.5	12	12	12	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual		Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M – 206	Number of CoGHSTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM – D E n g	3	3	3	6	6	3	9	9	3	12	12	12 out of 12 Reports were submitted to m	No challenges	No corrective action required	3.00	12	3.06	12	0	12	
Good Governance and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	M – 207	Percentage of Technical Managers' Forum Resolutions related to department implemented within specified time frames ytd	%	MDM – D E n g	100	100	3	100	100	3	100	100	3	100	100	All resolutions were implemented	No challenges	No corrective action required	3	100%	3	100	0	0	
Good Governance and Public Participation \ To promote	M – 209	Strategic Risks mitigated ytd	#	MDM – D E	1	0	1	1		1	1		1	1	0	None	No risk was mitigated	The Directorate is working towards mitigating	1	1	1	1	0	1	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual	Annual score July 17/June18	Annual Target	Variance from Annual Target	Baseline 16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score	Annual Performance July 17/June18				
democracy and sound Governance \ Risk Management				ng													the identified strategic risk							

**SDBIP – WATER AND SANITATION SERVICES – VOTE 055 – Key Performance Indicators**[illegible]

# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						ActualA nnual Perform ance July17/J une18	Annu al score July1 7/Jun e18	Annu al Target	Varian ce from Annu al Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Tar get	Actual	Score	Target	Actual	Achievemen ts	Challenges	Correctiv e Action	Score					
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 214	Percentage of assessment activities completed related to the implementation of infrastructure maintenance and replacement plan ytd	%	MDM – DWS	25	25	3	50	50	3	75	100	4.33	100	100	Assessment is completed and a draft a draft report is available	None	None	3	100%	3.33	100	0	0
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 215	Development of Water Services Infrastructure Development Plan	#	MDM – DWS	N/A	N/A	N/A	1	0	1	1	1	3	1	1	Draft Master Plan is available	No internal capacity	MDM to seek for support required from MISA	3	1	2.00	1	0	0
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure	M – 217	Number of activities completed towards a Functional water infrastruc	#	MDM – DWS	25	25	3	50	50	3	75	100	4.33	100	100	Communitie s Profiling and assessment of the water services infrastructure is completed for each local	None	None	3	100%	3.33	5	0	0



# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						ActualA nnual Perform ance July17/J une18	Annu al score July1 7/Jun e18	Annu al Target	Varian ce from Annu al Target	Baseli ne16/ 17	
					Target	Act ual	Score	Target	Actual	Score	Tar get	Actual	Score	Target	Actual	Achievemen ts	Challenges	Correctiv e Action	Score						
e Planning		ture ytd														municipality									
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 2222	Report on the Improved level of services of water supply to communities	#	M D M – D W S	1	1	3	2	2	3	3	7	5	4	3	Three reports on the Improved level of services of water supply to communities have been done	Ageing Infrastructure	Replacement of the asbestos pipelines with the steel water pipelines.	2.75	3	3.44	4	1	0	
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 2322	Number of VIP ablation facilities for provision of sanitation in the District	#	M D M – D W S	N/A	N/A	N/A	N/A	N/A	N/A	200	100	1.50	181	800	800 units of VIP ablation facilities were constructed	None	None	5	800	3.25	381	-419	0	
Basic Service Delivery\ To have integrated infrastructure development\ Infrastructure Planning	M – 49	Approved District water Master Management Plan	#	M D M – D W S	N/A	N/A	N/A	1	1	3	1	0	1	1	1	Draft Water Master Management Plan is available	Lack of internal capacity	To solicit for support from MISA and DBSA	3	1	2.33	1	0	0	
Financial Viability\ To increase	M – 2	Percentage of operation	%	M D M	25	100	5	50	100	5	75	120	4.60	100	100	More than 120 Percentage	The final expenditure report for	The BTO to timeously	3	100%	4.40	100	0	50	

# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						ActualA nnual Perform ance July17/J une18	Annu al score July1 7/Jun e18	Annu al Target	Varian ce from Annu al Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Tar get	Actual	Score	Target	Actual	Achievemen ts	Challenges	Correctiv e Action	Score					
revenue generation and implement financial control systems\ Expenditure Management	11	and maintenance allocation spent on water services ytd		DWS											of the operation and maintenance budget was spent on water services	June has not yet been issued by the BTO	issue the expenditure report to ensure accuracy in reporting							
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M-594	Percentage of departmental budget spent	%	MDM-DWS	25	65	5	50	14	1.28	75	100	4.33	100	80	The directorate has spent approximately 80% of the departmental budget	Delays in issuing the expenditure report by the BTO	BTO to timeously issue the expenditure report for accurate reporting	2.80	80%	3.35	100	20	12
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M-273	Demand management plans related to the Directorate developed and submitted to Budget and Treasury	#	MDM-DWS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1 Demand Management Plan has been developed and submitted to the BTO	None	None	3	1	3.00	1	0	1

# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						ActualA nnual Perform ance July17/J une18	Annu al score July1 7/Jun e18	Annu al Target	Varian ce from Annu al Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Tar get	Actual	Score	Target	Actual	Achievemen ts	Challenges	Correctiv e Action	Score					
		YTD																						
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M – 2 2 3	Percenta ge of Departm ental AG queries responde d to within 3 working days	%	M D M – D W S	100	100	3	100	100	3		100	N/A	100	100	All AG findings were responded to within the stipulated time	None	N/A	3	100%	3.00	100	0	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M – 2 2 4	Percenta ge of AG queries resolved	%	M D M – D W S	N/A	N/A	N/A	N/A	N/A	N/A	40	14.30	1.36	100	57	Four out of seven queries have been resolved	None	None	1.57	57%	1.46	100	43	37

# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18	Annual score July17/June18	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M - 225	Percentage of Departmental Internal Audit findings resolved	%	M D M - D W S	100	0	1	100	100	3	100	100	3	100	100	None	Shortage of Staff	Compliance to the Approved Recruitment Plan	3	100%	2.50	100	0	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M - 226	Number of CoGHST A Back to Basics statistical reports submitted to M&E by the 7th of each month	#	M D M - D W S	3	2	1.67	6	6	3	9	8	2.89	12	9	9 Reports submitted	None	None	2.75	9	2.58	12	3	12
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M - 711	Number of CoGTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	M D M - D W S	3	3	3	6	6	3	9	9	3	12	9	9 Reports submitted	None	None	2.75	9	2.94	12	3	12
Good Governance	M -	Percentage of	%	M D	100	100	3	100	100	3	100	100	3	100	100	All resolutions	There was no	None	3	100%	3.00	100	0	0

# Chapter 3

	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						ActualA nnual Perform ance July17/J une18	Annu al score July1 7/Jun e18	Annu al Target	Varian ce from Annu al Target	Baseli ne16/ 17
					Target	Act ual	Score	Target	Actual	Score	Tar get	Actual	Score	Target	Actual	Achievemen ts	Challenges	Correctiv e Action	Score					
and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	228	Technical Services Managers Forum Resolutions related to department implemented within specified timeframes		M – D W S											have been implemented	Technical Committee Meeting in the current month								
Good Governance and Public Participation \ To promote democracy and sound Governance \ Risk Management	M – 230	Strategic Risks mitigated ytd	#	M D M – D W S	1	1	3	1	1	3	1	1	3	1	1	1 strategic risk has been mitigated as planned	Shortage of personnel	Adherenc e to the recruitme nt plan	3	1	3.00	1	0	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Basic Service Delivery\ To improve community safety, health and social well-being\ Disaster Centre Management and Operations	M-242	Development of the Disaster Management annual report and submission to PDMC and Council before end of September	#	M D M - D C o m S e r v	N/A	N/A	N/A	1	1	3	1	1	3	1	1	Disaster Management report developed and approved by Council.	No challenges	No corrective action required	3	3	3	1	0	1
Basic Service Delivery\ To improve community safety, health and social well-being\ Environmental Management	M-237	Development of the Integrated Waste Management Plan and approval by Council ytd	#	M D M - D C o m S e r v	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100	0	Integrated Waste Management Plan (IWMP) not developed.	Cash flow led to delays in procurement.	Approval granted from MM's office and waiting for advertising for the 2018/19 financial year.	1	0	1	1	1	0
Basic Service Delivery\ To improve community safety, health and	M-238	Number of reports submitted on K2C biosphere reserve	#	M D M - D C o	1	1	3	2	2	3	3	3	3	4	4	Four reports were submitted for K2C biosphere.	None	No corrective action required	3	4	3	4	0	2

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
social well-being\ Environmental Management		activities ytd		MServ																				
Basic Service Delivery\ To improve community safety, health and social well-being\ Environmental Management	M-239	Number of projects Supported on Green Economy activities ytd	#	MDM - DCOMServ	2	2	3	4	2	1.50	6	6	3	8	8	Projects on distribution of 250 trees to Greater Tzaneen, Greater Letaba and Greater Giyani was implemented; 2 workshops in Support of the District and Provincial Greenest Municipality Competition (GMC) were held; 1 workshop to educators on Green Schools for the earth programme was held; This brings the total projects to 8 since July 2017 to date.	None	No corrective action required	3	8	2.63	8	0	8
Basic Service Delivery\ To improve	M-24	Number of reports on ambient	#	MDM -	1	0	1	2	0	1	3	0	1	4	0	No reports were generated.	The station is non - functional	Assessment has been done at the station and	1	0	1.00	4	4	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/ 17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
community safety, health and social well-being\ Environmental Management	0	Air Quality Monitoring submitted to Management ytd		DCOMServ												; it needs some maintenance.	the analysers parts have been taken to the workshop for further assessment and repair.							
Basic Service Delivery\ To improve community safety, health and social well-being\ Municipal Health	M-233	Number of formal health and hygiene education/workshops conducted ytd	#	MDM-DCOMServ	1	2	5	2	3	4.50	3	6	5	4	6	6 formal health and hygiene education sessions were conducted.	None	No corrective action required	4.50	6	4.75	4	-2	5
Basic Service Delivery\ To improve community safety, health and social well-being\ Municipal Health	M-234	Percentage of food control and safety resolutions taken and implemented ytd	%	MDM-DCOMServ	100	100	3	100	100	3	100	100	3	100	100	01 food safety coordinators meeting was held and 03 resolutions were taken and implemented (3/3).	None	No corrective action required	3	100%	3.00	100	0	100



# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Basic Service Delivery\ To improve community safety, health and social well-being\ Municipal Health	M-235	Number of accommodation establishments inspected ytd	#	MDM - D Comm Serv	42	43	3.02	84	76	2.90	126	137	3.09	168	195	26 inspections were conducted at accommodation establishments during the reporting period, bringing the total from July 2017 to June 2018 to 195.	None	No corrective action required	3.16	195	3.04	168	-27	3
Basic Service Delivery\ To improve community safety, health and social well-being\ Municipal Health	M-236	Percentage of complaints investigated on littering, illegal dumping and burning of waste ytd	%	MDM - D Comm Serv	100	100	3	100	100	3	100	100	3	100	100	02 complaints were received on littering and were investigated.	None	No corrective action required	3	100	3.00	100	0	0
Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	M-251	Percentage of departmental budget spent ytd	%	MDM - D Comm Serv	25	25	3	50	31.83	1.64	75	49.37	1.66	100	80.23	As from 31 March 2018, out of adjusted total budget of 94,032,165 we only spent 75,445,359 which is 80.23% of the total budget (see the attached	Delay in the procurement of goods and services, delays in the payment of service providers	Adherence to the SCM policy and improve on payment of service providers.	2.80		2.28	100	19.77	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
nt				v											expenditure report).	and cash flow affected our expenditure pattern. Used the April 2018 Expenditure Report.								
Financial Viability\ To increase revenue generation and implement financial control systems\ Supply chain management	M-254	Demand management plans related to Corporate Services developed and submitted to Budget and Treasury YTD	#	MDM – DCOM Serv	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Demand Management Plan was developed in the first quarter and submitted to BTO.	None	No corrective action required	3	1	3.00	1	0	1	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M-245	Percentage of Departmental AG queries responded to within 3 working days	%	MDM – D Comm Serv	100	100	3	100	100	3	N/A	N/A	N/A	100	100	Two issues were raised through COMAF 08 of 2017 and responded within 3 working days on all the AG queries.	None	No corrective action required	3	100%	3.00	100	0	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Audit	M-246	Percentage of AG queries resolved ytd	%	MDM – D Comm Serv	N/A	N/A	N/A	N/A	N/A	N/A	40	40	3	100	100	One finding (Exception no ISS 73) on employee cost (overtime expenditure) was partially resolved.	Insufficient number of shifts which lead to more overtime work in the Fire & Rescue Division.	Additional posts to be approved to make up to at least 3 shift system.	3	100	3.00	100	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action					
Good Governance and Public Participation To promote democracy and sound Governance Audit	M-247	Percentage of Departmental Internal Audit findings resolved ytd	%	MDM - D Comm Serv	100	67	2.67	100	75	2.75	100	80	2.80	100	80	Eighteen out of a total number of twenty - three findings were resolved and cleared and this makes it to almost 80%. We still need more positions to be filled in Fire and Health Services as per the Recruit Plan.	Delays in appointment of additional staff.	Draft EHP still to go to Council, Training of EHPs on law enforcement still outstanding. MM approved advertisement of additional positions on Fire and Disaster.	80%	2.76	100	20	12
Good Governance and Public Participation To promote democracy and sound Governance Back to Basics	M-248	Number of CoGHSTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM - D Comm Serv	3	3	3	6	6	3	9	9	3	12	12	12 reports were submitted to the Coordinator from July 2015 to date.	None	No corrective action required	12	3.00	12	0	12

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Good Governance and Public Participation \ To promote democracy and sound Governance \ Back to Basics	M - 249	Number of CoGTA Back to Basics statistical reports submitted to M&E by the 7th of each month	#	MDM - D Comm Serv	3	3	3	6	6	3	9	9	3	12	12	12 CoGTA reports on B2B were submitted to the Coordinator from July to date.	None	No corrective action required	3	12	3.00	12	0	12
Good Governance and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	M - 250	Percentage of HOD Forum Resolutions related to department implemented within specified timeframes ytd	%	MDM - D Comm Serv	100	100	3	100	0	1	100	100	3	100	100	There were 2 IGR Forum Meetings held during the reporting period with only 01 resolutions taken and implemented for the Social Cluster.	Poor attendance of IGR meetings by certain municipalities and sector departments.	MMs to intervene.	3	100%	2.50	100	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July 17- June18	Annual score July 17- June18	Annual Target	Variance from Annual Target	Baseline16/17	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
Good Governance and Public Participation \ To promote democracy and sound Governance \ Risk Management	M-252	Strategic Risks mitigated ytd	#	MDM-DCOMSERV	1	2	5	1	2	5	1	2	5	1	2	All the 2 identified risks as per the Risk Register were mitigated (this is inclusive of the new emerged risk on Climate Change).	None	No corrective action required	5	2	5.	1	-1	1
Local Economic Development \ To promote economic sectors of the district \ Local Economic Development (LED)	M-241	Number of EPWP Beneficiaries employed ytd	#	MDM-DCOMSERV	40	44	3.10	60	55	2.92	80	341	5	100	341	The total number of 341 beneficiaries have been appointed in both the Environment and the Social sectors (100 from Environmental sector and 241 from the Social sector).	None	No corrective action required	5	341	4.01	100	-241	100

# Chapter 3

## 5.9 SDBIP – Office of the Speaker

### SDBIP – OFFICE OF THE SPEAKER – VOTE 044 - PERFORMANCE INDICATORS

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Committees	M-431	Percentage of management resolutions implementable by the end of every quarter	%	MDM – Speaker	N/A	N/A	N/A	100	1	1.01	100	1	1.01	100	1	There is no management resolution available to our unit that require implementation.	No challenges.	No corrective action necessary.	1.01	1%	101	100	99	0
Good Governance and Public Participation \ To promote democracy and sound Governance \ Committees	M-493	Council resolution register sent to directorates for implementation within 5 working days after Council meeting ytd	#	MDM – Speaker	5	1	1.20	5	1	1.20	5	5	3	5	5	The Council Resolutions Implementation Register was sent out to Directorates for implementation as required.	No challenges.	No corrective action.	3	5	2.10	5	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Committees	M - 494	MAYCO Agendas distributed to MMC's 72 hours (3 days) prior to meetings ytd	#	MDM - Speaker	3	3	3	3	3	3	3	3	3	3	3	There was no Mayoral Committee meeting that was held during the report period so there was no need to deliver Council Agendas.	No challenges	No corrective action	3	3	3.00	3	0	3
Good Governance and Public Participation \ To promote democracy and sound Governance \ Committees	M - 503	Council Agendas distributed to Councilors 72hours (3 days) prior to meetings	#	MDM - Speaker	3	3	3	3	3	3	3	3	3	2	No agendas were delivered to Councilors as there was no Council meeting that was held during the report period.	There was no Council meeting held.	No corrective action as there was no need for a meeting.	1.67	2	2.67	3	1	3	
Good Governance and Public Participation \ To promote	M - 510	Portfolio Committee Agendas delivered 3 days	#	MDM - Sp	3	3	3	3	0	1	3	4	4.33	3	1	The Agenda for the Agriculture Portfolio	Arrangement at short notice.	To ensure that the three-day deadline is	1.33	3	2.42	3	2	4



# Chapter 3

Hierarchy	I D	KPI	U O M	O w n e r	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne18j	Annu al Score July17 /June1 8j	Annual Target	Variance from Annual Target	Baseli ne16/ 17
					Target	Actual	Sco re	Target	Actual	Sco re	Target	Actual	Sco re	Target	Actual	Achieve ments	Challeng es	Correctiv e Action	Score					
democracy and sound Governance \ Committees		prior to meetings ytd.		e a k e r											Committe e meeting held on 05 June was only handed over to councillor s on the date of the meeting.		adhered to in the future.							
Good Governance and Public Participation \ To promote democracy and sound Governance \ Committees	M - 5 1 5	Special Council Agendas distribute d to Councillor s 24hours (1 day) prior the meeting	#	M D M - S p e a k e r	1	1	3	1		1	3	5	1	1	There were no agendas distribute d to Councillor s as there was no Council meeting that was held during the report period.	There was no council meeting that was held during the report period.	No correctiv e action that is necessar y.	3	1	3.00	1	0	100	
Good Governance and Public Participation \ To promote democracy and sound Governance \ 	M - 5 1 6	Number of oversight committee resolution document s forwarde	#	M D M - S p e a k e	5	0	1	5	0	1	5	100	5	0	The Agricultur e Oversight Committee meeting that was held on 05 June	Senior Manager s need to identify issues that need Council attention and process	Senior Manager s need to be proactive in processin g matters that require	1	100	2.00	4	4	4	

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Committees		d to council ytd		r											2018 did not require Council's attention.	them timeously .	Council attention.							
Good Governance and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	M – 504	Number of District Ward Committee Forum meetings held successfully year to date	#	MDM – Speaker	1	1	3	2	0	1	3	3	3	4	4	District Ward Committee Meeting was held on the 29 June 2018	No challenges.	No corrective action required.	3	4	2.5	4	0	4
Good Governance and Public Participation \ To promote democracy and sound Governance \ Intergovernmental Relations	M – 505	Number of District wide session meeting held ytd	#	MDM – Speaker	1	0	1	N/A	N/A	N/A	N/A	N/A	N/A	1	2	Two district wide sessions were held to date.	No challenges.	No corrective action required.	5	2	3.00	1	-1	1
Good Governance and Public Participation \ To promote democracy	M – 507	Number of MPAC District Forums meetings held YTD	#	MDM – Speaker	1	1	3	2	2	3	3	4	4.33	4	4	Four district forum meetings were held to	No challenges.	No corrective action.	3	4	3.33	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17 /June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
and sound Governance \\ Intergovernmental Relations				aker											date.									
Good Governance and Public Participation \\ To promote democracy and sound Governance \\ Intergovernmental Relations	M – 512	Number of Public Participation Forum meetings held ytd	#	MDM – Speaker	1	1	3	2		1	3	3	3	4	4	District Public Participation Forum meeting was held on the 7th June 2018	No challenges.	No corrective action required.	3	4	2.50	4	0	4
Good Governance and Public Participation \\ To promote democracy and sound Governance \\ Intergovernmental Relations	M – 514	Number of Speakers Forum meetings held successfully year to date	#	MDM – Speaker	1	1	3	2		1	3	2	1.67	4	4	Speakers Forum (District Council of Speakers ) meeting was held on the 14 June 2018	No challenges.	No corrective action required.	3	4	2.17	4	0	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M-495	MPAC reports submitted to Council YTD	#	MDM – Speaker	1	1	3	2	0	1	3	4	4.33	4	4	Four reports were tabled in council to date.	The oversight report was delayed due to technical reasons.	The report was to be tabled in the council sitting of July 2018.	3	4	2.83	4	0	4
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M-496	Oversight Report publicised within seven days after adoption by Council ytd	#	MDM – Speaker	N/A	N/A	N/A	N/A	N/A	N/A	1	0	1	1	0	There was no publication done on the oversight report because the referred report was not tabled in council.	There were technical delays and this caused legislative non-compliance.	The report would be tabled in the council sitting of July 2018.	1	0	1.00	1	1	1
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public	M-497	Oversight report tabled to council ytd	#	MDM – Speaker	N/A	N/A	N/A	1	3	5	1	4	5	1	4	Four reports have been tabled in council to date.	The oversight report on the 2016/17 annual report was delayed and could not	This was to be tabled in the council sitting of July 2018.	5	1	5.00	1	-3	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Accounts Committee (MPAC)				r												be tabled as expected.								
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M - 498	Annual report Public hearing held successfully by end of March	#	MDM - Speaker	N/A	N/A	N/A	N/A	N/A	N/A	1	0	1	1	1	The public hearing was successfully held in April 2018.	There were delays in convening the public hearing in March as per the legislative requirements.	To stick to the legislated time frame for convening the public hearing.	3	1	2.00	1	0	1
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M - 508	Number of MPAC meetings held YTD	#	MDM - Speaker	1		1	2	6	5	3	7	5	4	13	Thirteen meetings were held to date.	No challenges.	No corrective action.	5	13	4.00	4	-9	4

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M-511	Number of projects visits conducted ytd	#	MDM – Speaker	1	0	1	2	0	1	3	0	1	4	0	No projects visit was conducted.	The competing engagements tempered with the projects visit arrangements.	To be conducted in the first quarter of the new financial year, 2018/19.	1	0	1.00	4	4	4
Good Governance and Public Participation \ To promote democracy and sound Governance \ Municipal Public Accounts Committee (MPAC)	M-517	Publicising the oversight report on the local and National News papers by the end of April	#	MDM – Speaker	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	No oversight report was tabled in council. The report will only be publicised upon tabling in council.	There were technical delays in processing the draft oversight report to council.	To eventually table the report before council in July 2018.	1	1	1.00	1	1	1

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June18j	Annual Score July17 /June18j	Annual Target	Variance from Annual Target	Baseline16/17
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action	Score					
Good Governance and Public Participation \ To promote democracy and sound Governance \ Public Participation	M - 506	Number of IDP/Budget Public Participation meetings held successfully year to date	#	MDM - Speaker	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	6	6 IDP Public Participation meeting held, on the 25th April 2017 (Briefing stakeholders and Traditional Leaders) 11 May 2018 (at Hlaneki Tribal Sports Ground - GGM), 15 May 2018 (Bellevue Sports Ground - GLM), 16 May 2018 (Mogape Sports Ground OGTM) 17 May 2018 (Selwane Sports Ground - BPM), 30 May 2018	No challenges.	No corrective action.	3.20	6	3.20	5	-1	5

# Chapter 3

Hierarchy	ID	KPI	UOM	Owner	Sep 17			Dec 17			Mar 18			Jun 18					Actual Annual Performance July17/June18j	Annual Score July17/June18j	Annual Target	Variance from Annual Target	Baseline16/17	
					Target	Actual	Score	Target	Actual	Score	Target	Actual	Score	Target	Actual	Achievements	Challenges	Corrective Action						Score
															(Community Outreach Council Sitting on the adoption of IDP and Budget)									
Good Governance and Public Participation \To promote democracy and sound Governance \Public Participation	M – 513	Number of Public Participation meetings held successfully year to date	#	MDM – Speaker	1	4	5	2	0	1	3	5	4.67	4	6	Imbizo (Public meeting) was held on the 12 May, with Minister for the Dept of Water and sanitation at Giyani Community Hall	None	None	4.50	6	3.79	4	-2	4

The Capital works plan is inclusive of Infrastructure projects and Capital projects



# Chapter 3

## 6.1 INFRASTRUCTURE PROJECTS

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievemen ts	Challenges	Corrective Action	Score			
Engineeri ng Services\ Basic Service Delivery\ To have integrate d infrastruc ture develop ment\ Sanitatio n Infrastruc ture	I C P - 1 7	Mopani Rural Househol d Sanitatio n Phase 5	M D M - D E n g	100	Mopani Rural Househol d Sanitatio n Phase 5	31	0	1	50	0	1	68	100	4.47	100	6	Contractor has been appointed and is currently busy with procuremen t of materials	Late appointment of contractor	Contractor to accelerate implementat ion of the project	1.06	6%	1.88	8700000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP-61	Kampersrus Sewage Plant	MDM - DENG	100	Kampersrus Sewage Plant	25	56.50	5	50	58	3.16	75	24.50	1.33	100	56.50	Phase 1 Contractor has completed the mechanical and electrical snag list and is awaiting for project handover = 98% Phase 2= 15% overall progress = 56.5%	Phase 2 of the project was delayed due to the court interdict, which led to the project designs being re-aligned	The engineer has presented the detailed design report to MDM. The engineer has to present the footprint designs with each household before the project can resume.	1.57	56,50%	2.77	16881120.73

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June 17	Annual Performance July 17/June18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP-15	Lenyenye Sewage works and outfall	MDM-DEng	100	Lenyenye Sewage works and outfall	26	93	5	47	93	5	74	99.50	4.34	100	96	Contractor is busy re-erecting the concrete footings of the aerators	Slow progress on site Cash flow problems Poor workmanship	Contractor is busy with re-erecting of footings for the aerators.  Contractor requests for extension of time as he failed to complete the project within the contract period	2.96	96%	4.33	10614742

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP-63	Lenyene Sewage works and outfall sewer	MDM-DEng	100	Lenyene Sewage works and outfall sewer	25	93	5	50	93	5	75	99.50	3.33	100	96	Contractor is busy re-erecting the concrete footings of the aerators	Slow progress on site Poor workmanship Contractor has failed to complete the project within the contract duration	Contractor has submitted a request for extension of time. The engineer is busy evaluating the request and will submit a recommendation to MDM for approval	2.96	96%	4.07	10614741.80

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 64	Upgrading of Ba-Phalaborwa Sewage Plant	MDM - DENG	100	Upgrading of Ba-Phalaborwa Sewage Plant	25	62	5	50	15	1.30	75	100	4.33	100	68	Contractor has completed the maturation pond concrete tank	Contractor is awaiting delivery of the air valves for the concrete chambers.  Contractor failed to complete the project within the contract period.	Contractor is on penalties	2.68	68%	3.33	13963020
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 66	Lephephane Bulk water supply	MDM - DENG	100	Kampersrus Sewage Plant	N/A	N/A	N/A	N/A	N/A	N/A	15	87.50	5	100	72	Sub-contractor was appointed to assist the contractor	The contractor has failed to complete the project within the contract period.	Contractor is on penalties	2.72	72%	3.86	52220985

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievemen ts	Challenges	Corrective Action	Score			
ture																							
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	I C P - 6 8	Nkowankowa Sewage Plant	M D M - D E n g	100	Nkowannkowa Sewage Plant	25	0	1	50	74	4.48	75	100	4.33	100	74	74% Physical progress	The contractor has terminated his contract with MDM	MDM to expedite appointment of a new contractor	2.74	74%	3.14	7165885

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievemen ts	Challenges	Corrective Action	Score			
Engineeri ng Services\ Basic Service Delivery\ To have integrate d infrastruc ture develop ment\ Water Infrastruc ture	I C P - 0 1	Thabina Regional Water Scheme, Water Reticulati on and Cost Recovery	M D M - D E n g	100	Thabina Regional Water Scheme, Water Reticulati on and Cost Recovery	100	0	1	100	100	3	100	100	3	100	100	The project has been completed	None	N/A	3	100%	2.50	5223607

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievem ents	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-13	Jopie to Mawa Ramotshinyadi	MDM-DEng	100	Jopie to Mawa Ramotshinyadi	26	90	5	47	70.50	4.50	70	87.50	3.25	100	96	Two contractors appointed to accelerate the implementation of this project and have completed their original scope of works and are currently busy with additional works Phase 2A:97% Phase 2B: 95%	Delays in delivery of the tanks	Both contractors are anticipated to complete the project by 20 July 2018	2.96	96%	3.93	103970727



# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP – 12	Sefofots e to Ditshosine Bulk Water Supply Ramoroka village	MDM – DENG	100	Sefofotse to Ditshosine Bulk Water Supply Ramoroka village	28	62	5	56	0	1	85	16	1.19	100	44	Contractor is busy with the steel fixing of the concrete reservoir roof and laying of pipes for reticulation and bulk line	The contractor's progress is behind schedule, the project could not be completed within the initial contract period.	The engineer to evaluate the contractor's request for extension of time and submit to MDM for approval	1.44	44%	2.16	12000000
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP – 14	Sefofots e to Ditshosine Bulk Water Supply Ramahlat si Bulk and Reticulation	MDM – DENG	100	Sefofotse to Ditshosine Bulk Water Supply Ramahlat si Bulk and Reticulation	29	0	1	49	0	1	72	100	4.39	100	71	The appointed contractors are busy with excavations and pipe laying on site	The project was not completed within the compressed completion period of 30 June 2018	The project will be completed within the initial completion date of 30 September 2018	2.71	71%	2.28	50261129

# Chapter 3

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						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-60	Tours Bulk Water Scheme (Treatment Plan)	MDM-Engineering	100	Tours Bulk Water Scheme (Treatment Plan)	25	73	5	50	73	4.46	75	8	1.11	100	89	The contractor is busy installing the outstanding portion of the roof and he he will be able to complete the remaining portion of the electrical and mechanical works.	Delays in delivery of materials	Sub-contractor was appointed to assist with the mechanical and mechanical works	2.89	89%	3.37	17373770

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-05	Ba-Phalaborwa Upgrading of Water reticulation and extension	MDM-Engineering	100	Ba-Phalaborwa Upgrading of Water reticulation and extension	27	0	1	48	100	5	72	100	4.39	100	100	Phase 1 and Phase 2 of the project have been successfully completed	None	N/A	3	100%	3.35	5035485
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-06	Hoedspruit Bulk Water Supply	MDM-Engineering	100	Hoedspruit Bulk Water Supply	36	0	1	59	0	1	81	8	1.10	100	46	None	The identified reservoir location falls within a private property and this has delayed the construction of the reservoir and the overall completion of this project	Engagements with the DPW are underway	1.46	46%	1.14	34855480

# Chapter 3

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						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP - 07	Thapane Regional Water Scheme (Upgrading Of Water Reticulation and Extensions)	MDM - D E n g	100	Thapane Regional Water Scheme (Upgrading Of Water Reticulation and Extensions)	32	73	5	54	17	1.31	86	24.50	1.28	100	65	None	The project will not be completed within the initial contract duration due to delays in delivery of pipes and community unrests	The contractor is currently busy with construction of the office block in Simarela and construction of septic tanks at Thapane treatment works	1.65	65%	2.31	28100000
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP - 16	Tours Water Scheme: Bulk Lines Refurbishment and Reticulations	MDM - D E n g	100	Tours Water Scheme: Bulk Lines Refurbishment and Reticulations	25	0	1	42	46	3.10	72	100	4.39	100	92	Contractor has completed the steel fixing at the concrete reservoir	The contractor has failed to complete the project within the compressed contract period of 30 April 2018	The contractor to complete the project within the original contract period ending on 28 February 2019	2.92	92%	2.85	52220985

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-04	Upgrading of Water Reticulation MLM	MDM-DEng	100	Upgrading of Water Reticulation MLM	25	0	1	54	100	5	84	100	3.19	100	100	The project has been successfully completed	None	N/A	3	100%	3.05	3023618

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP - 65	Kampersrus bulk water supply	MDM - D Eng	100	Kampersrus bulk water supply	25	90	5	50	90	5	75	16	1.21	100	98	Quotation for raw water connection has been received from the engineer. The Engineering Services Directorate is busy with the evaluation and will issue approval to contractor	The engineer had previously submitted an unrealistic quotation	The engineer has submitted a new quotation and MDM will issues approval for the quotation to ensure that the contractor completes the connection to the raw water.	2.98	98%	3.55	950106

# Chapter 3

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						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievemen ts	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 0 2	Selwane Water Phase1	M D M - D E n g	100	Upgradin g of Tours bulk water scheme	N/A	N/A	N/A	N/A	N/A	N/A	100	99.50	3	100	83	None	Delays in delivery of the elevated tanks by the supplier	Contractor is busy with the stand pipes, river crossing and the supplier of the tanks is also on site busy assembling the elevated tank	2.83	83%	2.91	11980410

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievem ents	Challenges	Corrective Action	Score			
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 0 8	Selwane Water Scheme Phase 2	M D M - D E n g	100	Selwane Water Scheme Phase 1	69	56.50	2.82	100	97	2.97	100	99.50	3	100	99.50	4 Contractors were appointed to expedite the project: Phase 2A and 2B have completed their scope of works. Phase 2C is on practical completion stage	Delays by contractor in completion of the snag lists for Phase 2D	The contractor for Phase 2D will be on site from 11 July 2018 to fix the leaks on site	3	99.50%	2.95	26722757



# Chapter 3

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						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score				
Engineering Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-09	Jopie-Mawa Block 12 - Ramotshinyadi Bulk Line and reticulation	MDM - DENG	100	Jopie-Mawa Block 12 - Ramotshinyadi Bulk Line and reticulation	100	93	2.93	100	100	3	100	100	3	100	100	The project has been successfully completed	None	N/A	3	100%	2.98	14513005	
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP-38	Hoedspruit Rehabilitation and upgrading of sewer emergency storage dam and booster pump-station	MDM - DWS	100	Hoedspruit Rehabilitation and upgrading of sewer emergency storage dam and booster pump-station	20	0	1	50	20	1.40	80	25	1.31	100	20	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project.  Close monitoring	1.20	20%	1.23	1700000	

# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 53	Nkowan kowa Waste Water Treatment Plant Refurbishment	MDM - DWS	100	Nkowan kowa Waste Water Treatment Plant Refurbishment	20	0	1	50	0	1	80	0	1	100	0	None	The project does not have budget for the 2017/18 FY	To budget for this project in the 2018/19 FY	1	0%	1.00	5392067
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 55	Lenyeny e Waste Water Treatment Plant Perimeter Fencing	MDM - DWS	100	Lenyeny e Waste Water Treatment Plant Perimeter Fencing	20	10	1.50	50	20	1.40	80	25	1.31	100	50	Contractor has been appointed and is currently busy with work on site	Late appointment of contractor	Close monitoring	1.50	50%	1.43	1700000

# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP-34	Maruleng Phalaborwa Construction of 381 VIP toilets	MDM - DWS	100	Maruleng Construction of 381 VIP toilets	20	0	1	50	0	1	80	0	1	100	25	Contractor has been appointed, site handover was conducted. contractor is done with site establishment and is currently busy with procurement of materials	Late appointment of contractor	Accelerate implementation of the project. Close monitoring	1.25	25%	1.06	4000000

# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 37	Maruleng Construction of 381 VIP Toilets	MDM - DWS	100	Phalaborwa Construction of 381 VIP Toilets	20	10	1.50	50	10	1.20	80	10	1.13	100	25	Contractor has been appointed, site handover was conducted. contractor busy with works on site busy with procurement of materials	Late appointment of contractor	Accelerate implementation of the project.  Close monitoring	1.25	25%	1.27	4000000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Sanitation Infrastructure	ICP - 67	Construction of 381 VIP Toilets in Maruleng	MDM - DWS	100	Construction of 381 VIP Toilets in Maruleng	20	0	1	50	0	1	80	0	1	100	25	Contractor has been appointed and is currently busy with work on site	Late appointment of contractor	Close monitoring	1.25	25%	1.06	4000000

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-19	Mapuve Water Reticulation Network refurbishment and upgrade	MDM-DWS	100	Mbaula Water Reticulation Network refurbishment and upgrade	20	0	1	50	0	1	80	25	1.31	100	25	Contractor has been appointed, site handover was conducted	Late appointment of contractor	Accelerate implementation of the project	1.25	25%	1.14	3500000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-22	Zava Package Plant Refurbishment and upgrading of the raw water Pipeline	MDM-DWS	100	Zava Package Plant Refurbishment and upgrading of the raw water Pipeline	20	0	1	50	0	1	80	25	1.31	100	30	Contractor has been appointed. Site handover conducted. Contractor is busy with works on site	Late appointment of contractor	Accelerate implementation of the project. Close monitoring	1.30	30%	1.15	4277000

# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-24	Home South Upgrading of internal Water Reticulation	MDM - DWS	100	Home South Upgrading of internal Water Reticulation	20	0	1	50	0	1	80	0	1	100	0	The engineer is done with planning for this project.	None	MDM to appoint contractor for implementation of this project	1	0%	1.00	2891600
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-25	Dzumeri Internal Water Reticulation upgrade	MDM - DWS	100	Dzumeri Internal Water Reticulation upgrade	20	0	1	50	0	1	80	10	1.13	100	40	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractors	Accelerate implementation of the project. Close monitoring	1.40	40%	1.13	3000000

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievemen ts	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 2 6	Dzingi Dzingi Upgrading of Internal Water Reticulation network	M D M - D W S	100	Khakhala Upgrading of Internal Water Reticulation network	20	0	1	50	0	1	80	25	1.31	100	25	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project.  Close monitoring	1.25	25%	1.14	0
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 2 7	Giyani Upgrading of Internal Water Reticulation network	M D M - D W S	100	Giyani Upgrading of Internal Water Reticulation network	20	0	1	50	0	1	80	25	1.31	100	40	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project.  Close Monitoring	1.40	40%	1.18	2300000

# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-30	Mageva Upgrading of Internal Water Reticulation network	MDM - DWS	100	Mageva Upgrading of Internal Water Reticulation network	20	0	1	50	0	1	80	10	1.13	100	0	Engineer is done with planning for the project	Late appointment of contractor	MDM to finalize appointment of contractor.	1	10%	1.03	3300000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-32	Mapikiri Replacement of Water Storage Reservoir	MDM - DWS	100	Mapikiri Replacement of Water Storage Reservoir	20	10	1.50	50	0	1	80	25	1.31	100	30	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project. Close monitoring	1.30	30%	1.28	8500000



# Chapter 3

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Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-33	Namakgale Replacement of Cement Asbestos Pipes	MDM-DWS	100	Namakgale Replacement of Cement Asbestos Pipes	20	0	1	50	0	1	80	25	1.31	100	30	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project. Close monitoring	1.30	30%	1.15	6900000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP-35	Lulekani Replacement of Cement Asbestos Pipes	MDM-DWS	100	Lulekani Replacement of Cement Asbestos Pipes	20	0	1	50	0	1	80	25	1.31	100	30	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project	1.30	30%	1.15	6300000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP - 39	Iketleng Water Reticulation Refurbishment and upgrade	MDM - DWS	100	Iketleng Water Reticulation Refurbishment and upgrade	20	10	1.50	50	20	1.40	80	25	1.31	100	25	The municipality has not approved the budget for the contractor to continue with the remaining scope.	Late appointment of contractor	Accelerate implementation of the project	1.25	25%	1.37	3600000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP - 40	Medingen Water Reticulation Network refurbishment and upgrade	MDM - DWS	100	Medingen Water Reticulation Network refurbishment and upgrade	20	0	1	50	0	1	80	0	1	100	0	None	The project is on planning and will be implemented in the 2018/19 FY	To implement the project in the 2018/19 FY	1	0%	1.00	3200000

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July 17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Pro gre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievem ents	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 4 3	Mokwase la Water Reticulation Network refurbishment and upgrade	M D M - D W S	100	Mokwase la Water Reticulation Network refurbishment and upgrade	20	0	1	50	20	1.40	80	25	1.31	100	30	The municipality has not approved the budget for the contractor to continue with the remaining scope.	Late appointment of contractor	Accelerate implementation of the project	1.30	30%	1.25	2700000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 4 4	Kuranta Upgrading of Internal Water Reticulation network	M D M - D W S	100	Kuranta Upgrading of Internal Water Reticulation network	20	0	1	50	0	1	80	0	1	100	0	Engineer is done with planning for the project	The municipality has not approved the budget for the contractor to continue with the remaining scope.	The project will resume in the 2018/19 FY	1	0%	1.00	3700000

# Chapter 3

Hierarchy	I D	Projects	O w n e r	Ann ual Tar get	Instructio n	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performa nce July17/Ju ne 17	Annua l Perfor mance July 17/Jun e18	Annual Budget
						% Target ed Progre ss	% Act ual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Target ed Progre ss	% Actual Progre ss	Score	% Targeted Progress	% Actual Progress	Achievem ents	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 4 5	Makgagapatsa Upgrading of Internal Water Reticulation network	M D M - D W S	100	Makgagapatsa Upgrading of Internal Water Reticulation network	20	0	1	50	10	1.20	80	25	1.31	100	25	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project	1.25	25%	1.19	5000000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	I C P - 4 6	Mabjebilo n Water Reticulation Network refurbishment and upgrade	M D M - D W S	100	Mabjebilo n Water Reticulation Network refurbishment and upgrade	20	0	1	50	0	1	80	25	1.31	100	0	The engineer is done with planning for the project	Late appointment of contractor	MDM to finalize appointment of contractor	1	25%	1.08	4000000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP – 47	Mariveni Water Reticulation Network refurbishment and upgrade	MDM – DWS	100	Mariveni Water Reticulation Network refurbishment and upgrade	20	10	1.50	50	20	1.40	80	25	1.31	100	35	Contractor has been appointed, site handover was conducted. contractor busy with works on site	Late appointment of contractor	Accelerate implementation of the project	1.35	35%	1.39	3200000
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP – 49	Makhudubung Water Reticulation Network refurbishment and upgrade	MDM – DWS	100	Makhudubung Water Reticulation Network refurbishment and upgrade	20	10	1.50	50	20	1.40	80	20	1.25	100	25	The municipality has not approved the budget for the contractor to continue with the remaining scope.	Late appointment of contractor	Accelerate implementation of the project. Close monitoring	1.25	25%	1.35	2932000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Instruction	Sep 17			Dec 17			Mar 18			Jun 18						Actual Annual Performance July 17/June 17	Annual Performance July 17/June 18	Annual Budget
						% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score			
Water Services\ Basic Service Delivery\ To have integrated infrastructure development\ Water Infrastructure	ICP – 51	Kubjana Water Reticulation Network refurbishment and upgrade	MDM – DWS	100	Kubjana Water Reticulation Network refurbishment and upgrade	20	10	1.50	50	10	1.20	80	25	1.31	100	0	The engineer is done with planning for this project	Late appointment of contractor	MDM to finalise appointment of contractor	1	100%	1.25	1500000

## 6.2 CAPITAL PROJECTS

Hierarchy	ID	Projects	Owner	Annual Target	Sep 17			Dec 17			Mar 18			Jun 18								
					% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score	Actual Annual Performance July 17/June18	Annual score July 17/June18	Annual Budget
Budget and Treasury/ Financial Viability)	CItem – C	Furniture	MDM – C	100	25	35	4.40	50	35	2.70	75	120	4.60	100	88	Furniture amounting to R440 312 has been spent to date out of the Budget of	No challenges	No corrective action required	2.88	88%	3.64	500000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Sep 17			Dec 17			Mar 18			Jun 18								
					% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score	Actual Annual Performance July 17/June 18	Annual score July 17/June 18	Annual Budget
To increase revenue generation and implement financial control systems\ Expenditure Management	18		FO													500 000.00						
Budget and Treasury\ Financial Viability\ To increase revenue generation and implement financial control systems\ Expenditure Management	Citem - 19	Drilling Equipment(Vehicle)	MDM - CFO	100	25	0	1	50	0	1	75	0	1	100	0	The drilling equipment will be procured in 18/19	No challenges	No corrective action required	1	0%	1	4040000
Community Services\ Basic	Citem	Provision of containerised	MDM -	100	25	50	5	50	50	3	75	100	4.33	100	100	2 sets of containerised sleeping quarters were delivered for	No challenges	No corrective action required	3	100%	3.83	1500000

# Chapter 3

Hierarchy	ID	Projects	Owner	Annual Target	Sep 17			Dec 17			Mar 18			Jun 18									
					% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Score	% Targeted Progress	% Actual Progress	Achievements	Challenges	Corrective Action	Score	Actual Annual Performance July 17/June18	Annual score July 17/June18	Annual Budget	
Service Delivery\ To improve community safety, health and social well-being\ Fire Services	11	sleeping facilities for Giyani ,Maruleng and Ba-Phalaborwa Fire station	DCoMServ												Giyani and Maruleng fire stations respectively.								
Community Services\ Basic Service Delivery\ To improve community safety, health and social well-being\ Fire Services	Citem 13	Refurbishment of Specialised Fire Vehicles	MDM – DCoMServ	100	25	1	50	50	3	75	50	1.67	100	50	Specifications submitted to BTO, and the tender is on advert.	Could not be done due to cash flow challenges	Re - budget for 2018/19 financial year; adjust the current SDBIP.	1.50	50%	1.79	7500000		
Office of the Speaker\ Good Governance and Public	Citem 2	Speakers vehicle	MDM – Spe	100	25	0	1	50	0	1	75	0	1	100	0	The vehicle of the Speaker is not yet purchase due to lack of funds	Lack of funds	Vehicle to be purchase when funds are available	1	0%	1	1000000	



# Chapter 3

[illegible]

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

The purpose of conducting an institutional analysis is to ensure that the municipal development strategies take existing institutional capacities into consideration and that institutional shortcomings are addressed. Mopani District Municipality was established in 2000 in terms of the Municipal Structures Act, 1998 (Act No. 117 of 1998). The municipal offices of the district are situated in the government complex in Giyani in the Greater Giyani Municipality. The District Disaster Management centre is built in Tzaneen town and is in full use including Fire services.

Offices for local municipalities are located as follows:

Maruleng Local Municipality.....Hoedspruit Town

Greater Letaba Local Municipality .....Modjadjiskloof Town

Greater Tzaneen Local Municipality .....Tzaneen Town

Ba-Phalaborwa Local Municipality .....Phalaborwa Town

Greater Giyani Local Municipality .....Giyani Town

The management arrangement of the institution needs continual attention in order to adapt to changing needs and demands. Hence, annual review on the filling in of vacant posts and an on-going management training. There is also a need to define the distinct roles of the various sub-units in the Municipal Manager's Office and their collective mandate in ensuring that the Office of the Municipal Manager is able to discharge the following responsibilities distinctly and with excellence.

T4.0.1

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

T4.6.5

# Chapter 4

Employees					
Description	2016/17		2017/18		
	No. Employees	No. Approved posts	No. employees	of vacancies	% of vacancies
Water	484	1224	424	131	0.31
Waste Water (sanitation)	-	-	1	46	46
Electricity	2	40	2	25	12.5
Waste Management	1	50	1	50	50
Housing	1	0	0	0	0
Waste Water (Storm water Drainage)	-	-	0	0	0
Roads	8	15	8	15	1.88
Transport	8	34	10	35	3.50
Planning	10	9	10	9	0.90
Local Economic Development	2	4	2	10	5.00
Planning (Strategic & Regulatory)	10	19	2	13	6.50
Community & social services	39	197	167	189	1.13
Environmental protection	27	3	28	89	3.18
Health	-	-	0	30	0
Security & safety	-	-	0	24	0
Sport & recreation	1	24	1	19	19.00
Corporate Policy offices & other	16	138	0	0	0
<b>Totals</b>					
T4.6.5					

SOURCE: Organisational structure 17/18, 16/17

T4.6.5

Vacancy Rate: 2017/2018			
Designation	*Total approved posts	*Variances (Total time that vacancies exist using fulltime equivalents)	*Variances (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	N/A	N/A
CFO	1	N/A	N/A
Other S57 Managers (excluding Finance Posts)	6	1	1
Other S57 Managers (Finance posts)	1	N/A	N/A
Municipal Police	N/A	N/A	N/A
Fire Fighters	24	N/A	N/A
Senior Management: Levels 13-15 (excluding Finance Posts)	N/A	N/A	N/A
Senior Management: Levels 13-15 (Finance Posts)	N/A	N/A	N/A
Highly skilled supervision: Levels 9-12 (excluding Finance posts)	89	N/A	N/A
Highly skilled supervision: Levels 9-12 (Finance posts)	102	N/A	N/A

# Chapter 4

Total			
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Source :Organisational structure 17/18,16/17

T4.6.5

Turn-over Rate			
Details	Total Appointments as of beginning of financial year No.	Terminations during the financial year No.	Turn-over Rate*
2014/15	714	49	0.07
2015/16	698	63	0.09
2016/17	667	58	0.09
•			T4.1.3

Source : organizational structure :17/18

## COMMENT ON VACANCIES AND TURNOVER:

At the time of the reporting period, there were only 8 Snr managerial positions and only 2 were vacant, and out of 31 positions in the middle management echelon and only 3 were vacant. No challenges were experience this period in relation to recruitment of Snr and Middle managers

T4.1.4

T4.6.5

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Supply the 17/18 figures

The Municipality employed 720 people during the 17/18 financial year. It incurred 60% vacancy rate with the post of a permanent Corporate Services Director being vacant. High vacancy rates also existed for highly skilled supervision levels 9-12 (excluding finance posts) at 83% and Fire Fighters at 63.5%. Other challenges were:

- Office space is one limiting factor on appointing units that are office-bound. There is only one block in the parliamentary complex that is full. Some of the Units like, Internal Audit and GIS are accommodated at the Disaster Management center in Tzaneen. Mopani has 24 disabled employees, which is 3,2% of the current workforce. MDM has thus exceeded the 2% threshold required of the staff complement being disabled persons.
- There are over 600 staff members transferred from DWA. The challenge is that operational cost to MDM has risen and will impact on means for service delivery.

# Chapter 4

- MDM do not have full spread of racial diversities. There are largely Ba-pedi, Va-tsonga, Va-Venda and some few Afrikaans. This is informed proportionally by the racial spread of the District. There are also those cases of people who would prefer to work in an urban environment rather than rural area (Giyani) where Mopani District Head office is located.<sup>2</sup>

T4.2.0

T4.6.5

## 4.2 POLICIES

HR Policies & Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action		95	pending
2	Attraction & Retention		85	pending
3	Code of conduct for employees	100		
4	Delegations, Authorisation & responsibility		90	pending
5	Disciplinary Code & Procedures	100		
6	Essential Services		80	pending
7	Employee Assistance/ wellness		95	pending
8	Employment Equity		95	pending
9	Exit Management		80	pending
10	Grievance Procedures	100		
11	HIV/AIDS	100		
12	Human Resource & Development	100		
13	Information Technology	100		
14	Job Evaluation	100		
15	Leave	100		
16	Occupational Health & Safety		95	Pending
17	Official Housing		80	pending
18	Official Journeys	100		
19	Official Transport to attend funerals	100		
20	Official working hours and overtime	100		
21	Organisational rights	100		
22	Payroll Deductions	100		
23	Performance Management &		95	pending

<sup>2</sup> Source: 14/15 MDM IDP

# Chapter 4

	Development			
24	Recruitment, selection & Appointments	100		
25	Remuneration Scales & Allowances		85	pending
26	Resettlement	100		
27	Sexual Harassment		80	pending
28	Skills development	100		
29	Smoking		80	pending
30	Special skills	100		
31	Work Organisation		85	pending
32	Uniforms & protect clothing		90	Pending
33	Other			
Use name of local policies if different from above and at any other HR policies not listed				
T4.2.1				

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

As at the period, 25 policies ranging from HR, Planning, Community and other work units were identified, and discussed at all relevant structures of Council including LLF, Management, Task Team and Councillor components and were an route to Council for adoption. This review and development of these policies were performed with the assistants of both CoGHSTA and SALGA

T4.2.1.1

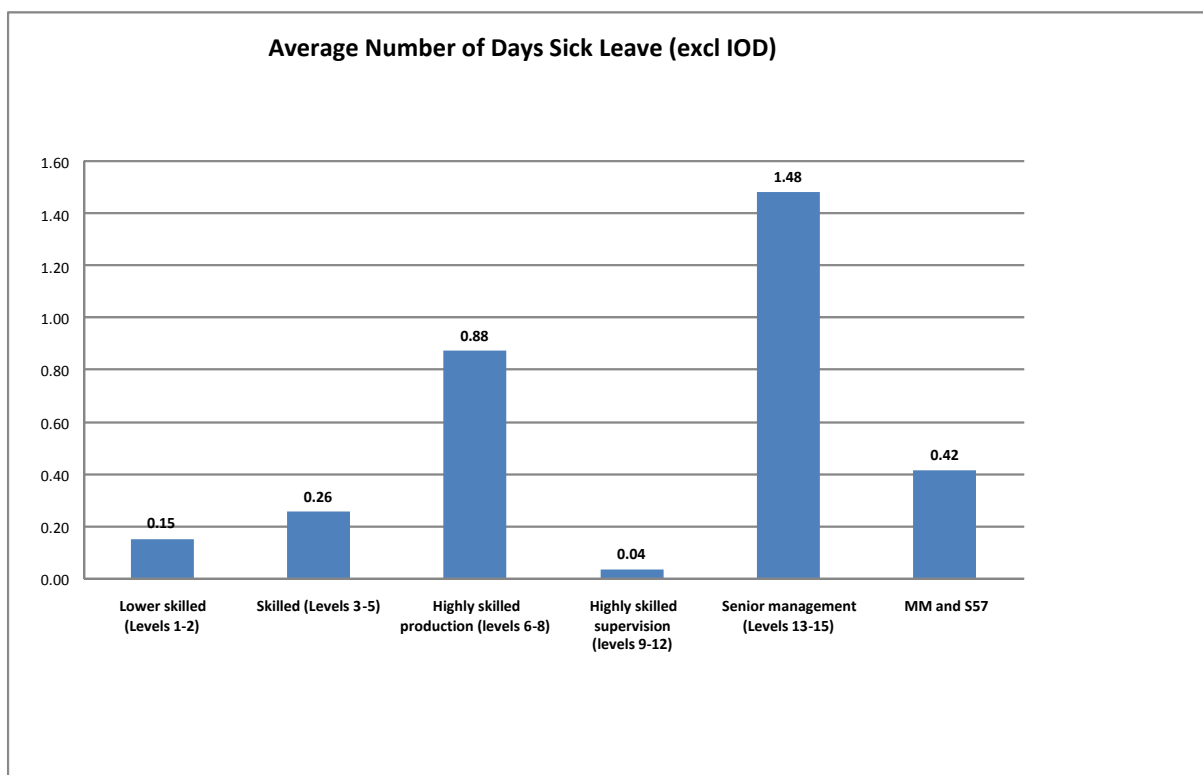
T4.6.5

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days		%	Days	R`000
Required basic medical attention only	02	01	01	02	N/A
Temporary total disablement	N/A	N/A	N/A	N/A	N/A
Permanent disablement	N/A	N/A	N/A	N/A	N/A
Fatal	N/A	N/A	N/A	N/A	N/A
Total					
T4.3.1					

# Chapter 4

Number of days and cost of sick leave (excluding injuries on duty)						
Designations	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per employees	Estimated cost
	Days	%	No.	No.	Days	R`000
Lower skilled (level 1-2)	02	N/A	01	01	02	N/A
Skilled (level 3-5)	02	N/A	01	01	02	N/A
Highly skilled production (levels 6-8)	N/A	N/A	N/A	N/A	N/A	N/A
Highly skilled supervision (level 9-12)	N/A	N/A	N/A	N/A	N/A	N/A
Senior management (levels 13-15)	N/A	N/A	N/A	N/A	N/A	N/A
MM & S57	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>						



T4.3.3

T4.6.5

COMMENT ON INJURY AND SICK LEAVE:

# Chapter 4

The Municipality is currently at moderate level of 20% rate with regard to reduction of Occupational Injury incident, and relation to sick leave, HR record reflects the total of 795 days taken by employees during the reporting period. This was enhanced by creating awareness during inductions, awareness campaigns and developing OHS posters that are circulated monthly through email to everybody /staff, and making constant follow up to Doctors with regard to pending Injury on Duty case and also by circulating Injury on Duty reporting procedure to all employees by email and by pasting on notice boards.

T4.3.4

T4.6.5

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 finalized	Date finalized
Satellite Manager GTM	Fraud related matters	2017	Pending	Pending
Satellite Manager GLM	Fraud related matters	2017	Pending	Pending
PMU Manager	Fraud related matters	2017	Disciplinary enquiry unfolding	Pending
Deputy Manager Legal	Fraud related matters	2017	Finalized / resignation	2018.09.
Maintenance Officer	<b>Fraud related matters</b>	2018	Disciplinary enquiry unfolding	Pending
Divisional Officer	<b>Fraud related matters</b>	2018	Disciplinary enquiry unfolding	Pending

T4.3.5

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 finalized	Date finalized
PMU Manager	Gross Negligence and dereliction of duties	Yes. On-going	In progress	PMU Manager
Divisional Officer	Gross Dishonesty	Yes.	26 February 2019	Divisional Officer
Admin. Officer	Gross Dishonesty	Yes	26 February 2019	Admin. Officer
Satellite Manager	Gross Dishonesty	Yes. On-going	In progress	Satellite Manager
Satellite Manager	Gross Dishonesty	Yes. On-going	In progress	Satellite Manager

T4.3.5



# Chapter 4

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and value of any loss to the municipality	Disciplinary action taken	Date finalized
PMU Manager	Gross Negligence and dereliction of duties	Yes. On-going	In progress
Divisional Officer	Gross Dishonesty	Yes.	26 February 2019
Admin. Officer	Gross Dishonesty	Yes	26 February 2019
Satellite Manager	Gross Dishonesty	Yes. On-going	In progress
Satellite Manager	Gross Dishonesty	Yes. On-going	In progress
			T4.3.6

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The cause for the long suspension resulted from the complexity and broadness of the issues at stake. The matters have been set down for hearing at this juncture

T4.3.7

## 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2017/18 R'000	Proportion of beneficiaries within group %
Lower skilled (levels 1-2)	Female	n/a	n/a	n/a	n/a
	Male	n/a	n/a	n/a	n/a
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	n/a	n/a	n/a	n/a
	Male	n/a	n/a	n/a	n/a
Total					

# Chapter 4

## COMMENT ON PERFORMANCE REWARDS:

No performance rewards were paid to employees in the financial year because council does not yet adopt the policy, which guides cascading down of Performance Management System.

T4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The total approved posts of the municipality are 1244 for which 645 posts were filled during the reporting period and 599 posts remained vacant. The water services directorate has the highest vacancies at 593 due to the increasing number of retirements, death cases and resignations. For the period under review, a total of 43 employees have gone on retirement, 15 passed on, 12 resigned, two (2) were dismissed after disciplinary processes and 1 the contract expired. The total number of Councillor's for the municipality is 51 and 1 passed on. Organogram review was conducted in 17/18

T4.5.0

## 4.5 SKILLS DEVELOPMENT AND TRAINING

T4.6.5

Skills Matrix														
Management	Gender	Employees in post as at 30 June 2017	Number of skilled employees required and actual as at 30 June 2018											
		No.	Learnerships			Skills programme & other short courses			Other forms of training			Total		
			Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target	Actual 30 June 2016	Actual 30 June 2017	Target
MM & S57	Female	1	4	4	5	3	3	10	5	5	13	17	17	28
	Male	5	1	1	5	4	4	10	6	6	16	11	11	31
Councilors, senior officials & managers	Female	23	3	3	5	4	4	5	7	7	10	14	14	20
	Male	20	2	2	6	4	4	7	3	3	7	9	9	20
Technicians & associate professionals	Female	09	13	13	10	1	1	10	47	47	50	71	71	70
	Male	17	29	29	35	10	10	15	39	39	50	78	78	100
Professionals	Female	37	6	6	5	10	10	11	18	18	20	34	34	36
	Male	26	9	9	8	4	4	5	9	9	5	22	22	18
Sub Total	Female	70	26	26	25	18	18	36	77	77	103	136	136	154

# Chapter 4

[illegible]

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 assessment 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)(a))
Financial officials	26	26	26	26	26	21
Accounting officer	1	1	1	1	1	1
Chief Financial Officer	1	1	1	0	0	0
Senior Managers	1	1	1	1	1	1
Any other financial officials			13	13	13	13
Supply Chain Management officials	7	7	7	5	5	5
Heads of SCM units			1	1	1	1
SCM senior managers	0	0	0	0	0	0
Total	26	26	26	26	26	21
*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T4.5.2						

[illegible]

# Chapter 4

	Male								
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan								%*	*R
								T4.5.3	

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

The municipality has a Workplace Skills Plan as approved by the LGSETA. Programmes were implemented as per the WSP although some of the programmes comes from the stakeholder component (SALGA and other government structures) as part of cooperatives and inter-governmental relations.

The low expenditure was as a result of the delay appoint training providers by SCM and that the municipality continues to benefit from learnerships and skills programmes as funded by the LGSETA.

The municipality has also managed to implement Circular 60 on minimum competency from the National treasury on Senior Managers including Budget and Treasury personnel.

T4.5.4

T4.6.5

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

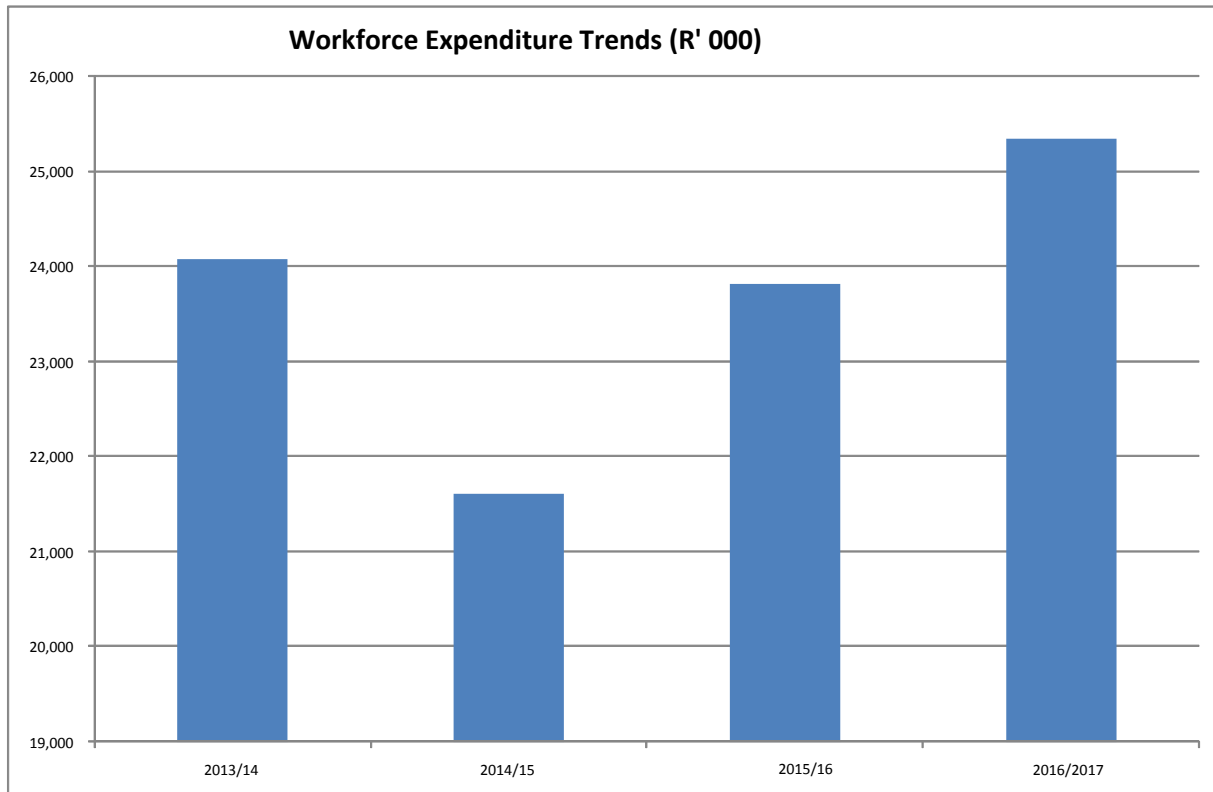
**Delete Directive note once comment is complete** – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.

### 4.6. EMPLOYEE EXPENDITURE

T4.6.5

# Chapter 4



T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

**Delete Directive note once comment is complete** – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year

T4.6.1.1

T4.6.5

# Chapter 4

Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (level 1-2)	Female	N/A
	Male	N/A
Skilled (level 3-5)	Female	N/A
	Male	N/A
Highly skilled production (levels 6-8)	Female	N/A
	Male	N/A
Highly skilled supervision (level 9-12)	Female	N/A
	Male	N/A
Senior management (levels 13-15)	Female	N/A
	Male	N/A
MM & S57	Female	N/A
	Male	N/A
Total		

T4.6.2

Employees whose salary levels exceed the grade determined by Job Evaluation				
Occupation	Number of employees	Job level evaluation	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

T4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

T4.6.4

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T4.6.5

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

# Chapter 4

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

T4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### Containing inflationary pressures

The cost of the consultants are calculated as a percentage of the total project cost. Inflationary pressures are not necessarily prevalent in that the percentage is fixed. The only area of sensitivity to inflation is the project construction costs. These costs are contained through rates negotiations with the contractors keeping in mind the rate of inflation.

### Costs

The consultants cost the municipality 17.5% of the total allocation for the financial year of R444 million, which comes to R77.7 million.

### Reason for engagements

The consultants are mainly engaged to supervise the water and sanitation projects. The nature of the projects are such that the contractors' work need to be monitored by the consultants for verification of works.

### Results

The projects deliverables have been achieved except in certain areas where delays are experienced on the part of the contractors mainly due to financial inabilities.

T5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The municipality is mainly grant dependent, with grants contributing 40% of total income. The debt collection rate is very low putting the municipality in a tough liquidity position. There is a huge debt book relating to purchases of water from the water boards putting further pressures on the municipality's financial health.



# Chapter 5

T5.1.0

## 5.1. STATEMENTS OF FINANCIAL PERFORMANCE

### Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Financial Performance

Figures in Rand

	Note(s)	2018	2017 *Restated
<b>Revenue</b>			
Revenue from exchange transactions			
Service charges	15	178 850 094	166 927 478
Interest on outstanding debtors		39 628 665	40 355 569
Other income	17	6 522 398	677 360
Interest received - investment		5 437 907	7 128 364
<b>Total revenue from exchange transactions</b>		<b>230 439 064</b>	<b>215 088 771</b>
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	1 256 376 676	961 718 681
<b>Total revenue</b>	14	<b>1 486 815 740</b>	<b>1 176 807 452</b>
<b>Expenditure</b>			
Employee costs	19	(358 652 896)	(303 555 186)
Remuneration of Councillors		(13 179 128)	(14 289 258)
Depreciation and amortisation	20	(177 891 381)	(226 767 209)
Impairment of assets	26	(26 304 809)	-
Finance cost	21	(225 612)	(214 110)
Debt impairment	22	(65 967 708)	(56 090 683)
Bad debts written off	22	(11 364 593)	-
Bulk purchases	23	(288 788 797)	(313 206 196)
Contracted services	24	(67 163 108)	(62 549 812)
Grants and subsidies paid		(1 325 647)	(863 815)
Repairs and maintenance		(58 519 739)	(80 170 383)
General expenses	25	(174 815 613)	(307 708 072)
<b>Total expenditure</b>		<b>(1 244 199 031)</b>	<b>(1 365 414 724)</b>
Operating surplus (deficit)		242 616 709	(188 607 272)
Surplus (deficit) for the year		242 616 709	(188 607 272)

# Chapter 5

Financial performance of operational services						
Description	2015/16	2016/17		2017/18 variance		
	Actual	Original budget	Adjustment budget	Actual	Original budget	Adjustment budget
Operating cost	n/a	n/a	n/a	n/a	n/a	n/a
Water						
Waste water (sanitation)						
Electricity						
Waste management						
Housing						
<b>Component A: sub-total</b>						
Waste water (storm water drainage)	n/a	n/a	n/a	n/a	n/a	n/a
Roads						
Transport						
<b>Component B: sub-total</b>						
Planning	n/a	n/a	n/a	n/a	n/a	n/a
Local Economic Development						
<b>Component B: sub-total</b>						
Planning (strategic & regulatory) LED	n/a	n/a	n/a	n/a	n/a	n/a
<b>Component C: Sub-total</b>						
Community & social services	n/a	n/a	n/a	n/a	n/a	n/a
Environmental protection						
Health						
Security & safety						
Sport & recreation						
Corporate policy offices & other						
<b>Component D: sub-total</b>						
<b>Total expenditure</b>						
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

T5.1.2

The revenue collection rate on own revenue, for water and sanitation, was at the lowest due to weak internal revenue collection mechanisms. Spending on projects that are own funded was also at the lowest due to delays in procurement processes.

Operational expenditure relating to employee costs escalated mainly due to legacy backlog on employee benefits that were not budgeted for.

The revenue from the Water Services Infrastructure Grant is significantly low due to delays in appointment procurement processes.

T5.1.3

# Chapter 5

## 5.2 GRANTS

Grant Performance						
R`000						
Description	2016/17	2017/18			2017/18 variance	
	Actual	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %
<b>Operating transfers and grants National Government:</b>	109 150	95 000	95 000	58 757	<b>61.84947</b>	<b>61.84947368</b>
Equitable share	-	2 202	2 202	2 202	<b>100</b>	<b>100</b>
Municipal systems improvement						
Department of Water Affairs						
Levy Replacement						
Other transfers/grants (insert description)						
<b>Provincial Government</b>	1 460	1 795	1 795	1 795	<b>100</b>	<b>100</b>
Health subsidy	1 943	1 725	1 725	1 725	<b>100</b>	<b>100</b>
Housing						
Ambulance subsidy						
Sports & recreation						
Other transfers/grants (insert description)						
<b>District municipality (Insert description)</b>	14 189	14 232	14 232	10 674	<b>75</b>	<b>75</b>
	200	-	-	216	<b>0</b>	<b>0</b>
<b>Other grant providers: (Insert description)</b>	208 500	462 748	462 748	420	<b>90.92119</b>	<b>90.92119253</b>
	625 707	759547	759547	759 547	<b>100</b>	<b>100</b>
<b>Total operating transfers &amp; grants</b>						

Grant Performance						
R`000						
Description	2016/167	2017/18			2017/18 variance	
	Actual	Budget	Adjustments budget	Actual	Original budget %	Adjustments budget %
WSIG	109 150	95 000	95 000	58 757	<b>61,84947</b>	<b>61,84947368</b>
RRAMS	-	2 202	2 202	2 202	<b>100</b>	<b>100</b>
FMG	1 460	1 795	1 795	1 795	<b>100</b>	<b>100</b>
EPWP	1 943	1 725	1 725	1 725	<b>100</b>	<b>100</b>
LP HEALTH	14 189	14 232	14 232	10 674	<b>75</b>	<b>75</b>

# Chapter 5

LP ECON BIOSPHERE	200	-	-	216	0	0
MIG	208 500	462 748	462 748	420 736	90,92119	90,92119253
EQUITABLE SHARES	625 707	759547	759547	759 547	100	100
T5.2.1						

The municipality was able to spend on all the conditional grants with the exception of the Water Services Infrastructure Grant. The municipal infrastructure grant was the second lowest at 92%. All the other grants were fully spent including the equitable shares.

T5.2.2

Grants received from sources other than division of revenue Act (DORA)						
Details of donor	Actual grant 2016/17	Actual grant 2017/18	17/18 municipal contribution	Date grant terminates	Date municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A-"Project 1"	N/A	N/A	N/A	N/A	N/A	N/A
A-"Project 2"	N/A	N/A	N/A	N/A	N/A	N/A
B-"Project 1"	N/A	N/A	N/A	N/A	N/A	N/A
B-"Project 2"	N/A	N/A	N/A	N/A	N/A	N/A
<b>Foreign Governments/Development Aid Agendas</b>						
A-"Project 1"	N/A	N/A	N/A	N/A	N/A	N/A
A-"Project 2"	N/A	N/A	N/A	N/A	N/A	N/A
B-"Project 1"	N/A	N/A	N/A	N/A	N/A	N/A
B-"Project 2"	N/A	N/A	N/A	N/A	N/A	N/A
<b>Private Sector/Organisations</b>						
A-"Project 1"		N/A	N/A	N/A	N/A	N/A
A-"Project 2"		N/A	N/A	N/A	N/A	N/A
B-"Project 1"		N/A	N/A	N/A	N/A	N/A
B-"Project 2"		N/A	N/A	N/A	N/A	N/A
Provide a comprehensive response to this schedule						
T5.2.3						

Insert table note advising municipalities to indicate high value projects & total the remaining projects

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Not applicable

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Effective management of infrastructure and community facilities is central to the municipality providing an acceptable standard of services to the community. Infrastructure impacts on the quality of the living environment and opportunities to prosper. Not only is there a requirement to be effective, but the manner in which the municipality discharges its responsibilities as a public entity is also important. The municipality must demonstrate good governance and customer care, and the processes adopted must be efficient and sustainable. Councillors and officials are custodians on behalf of the public of infrastructure assets, the replacement value of which amounts to several hundred million Rand.

Key themes introduced in the latest generation of national legislation relating to municipal infrastructure management include:

- long-term sustainability and risk management;
- service delivery efficiency and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- provision of financial support from central government in addressing the needs of the poor.

Legislation has also entrenched the Integrated Development Plan (IDP) as the principal strategic planning mechanism for municipalities. However, the IDP cannot be compiled in isolation for the above objectives to be achieved. The IDP needs to be informed by robust, relevant and holistic information relating to the management of the municipality's infrastructure.

There is a need to direct limited resources to address the most critical needs, to achieve a balance between maintaining and renewing existing infrastructure whilst also addressing backlogs in basic services and facing ongoing changes in demand. Making effective decisions on service delivery priorities requires a team effort, with inputs provided by officials from all departments of the municipality.

Cooperative Government and Traditional Affairs CoGTA has prepared guidelines in line with international practice, that propose that an Infrastructure Asset Management Plan (IAMP) is prepared for each sector (such as water, roads etc). These plans are used as inputs into a Comprehensive Infrastructure Plan (CIP) that presents an integrated plan for the municipality covering all infrastructures. This is in line with the practice adopted in national and provincial spheres of government in terms of the Government-wide Immoveable Asset Management Act (GIAMA).

# Chapter 5

Accordingly, the asset register adopted by a municipality must meet not only financial compliance requirements, but also set a foundation for improved infrastructure asset management practice.

The Municipal Manager, being the accounting officer of the municipality, is responsible for the following in terms of section 63 of the Municipal Finance Management Act (Act No. 56 of 2003):

- The assets of the municipality, including the safeguarding and the maintenance of those assets;
- Ensuring that the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- Ensuring that the municipality's assets are valued in accordance with the Standards of Generally Recognised Accounting Practice (GRAP); and
- Ensuring that the municipality maintains a system of internal control of assets, including an asset register.

The Municipal Manager shall ensure that:

- An Asset Management Committee is established, through which all asset processes and procedures will be implemented.
- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- The municipality's assets are valued in accordance with the standards of generally recognised accounting practice (GRAP);
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The Directors and their teams shall comply with the Asset Management Policy

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS				
Assets 1				
Name	Jopie Mawa – Block 12 Ramotshinyadi Bulk line and Reticulation			
Description	Construction of bulk line and reticulation			
Asset Type	Infrastructure Asset – Bulk supply			
Key staff involved	Project Management Unit			
Staff responsibilities	Management and Monitoring of projects			
Asset Value	2014/15	2015/16	2016/17	2017/18
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			

Assets 1	
Name	Sefototse to Ditshosini Bulk Water Supply (Bellevue, Sefototse)
Description	Construction of bulk water supply pipeline

# Chapter 5

Asset Type	Infrastructure Asset – Bulk supply			
Key staff involved	Project Management Unit			
Staff responsibilities				
Asset Value	2014/15	2015/16	2016/17	2017/18
	6 000 000	46 438 419.98	97 865 256.72	-
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			

Asset 3				
Name	Thapane Water Supply Scheme – Upgrading and Extension			
Description	Upgrading and extension of water treatment plant			
Asset Type	Infrastructure Asset - Water Treatment			
Key staff involved	Project Management Unit			
Staff responsibilities	Management and Monitoring of projects			
Asset Value	2014/15	2015/16	2016/17	2017/18
	8 549 992.05	29 222 382.97	68 751 692.06	-
Capital implications	Budget allocation for refurbishment and maintenance of the asset			
Future purpose of asset	Bulk Water Supply to the community			
Describe key issues	Access to basic service and Job creation			
Policies in place to manage asset	Asset Management Policy			
T5.3.2				

## COMMENT ON ASSET MANAGEMENT:

Municipal assets (such as infrastructure and community facilities) are the means by which the municipality delivers a range of essential municipal services. Consequently the management of such assets is critical to meeting the strategic objectives of the municipality and in measuring its performance. The goal of asset management is to meet a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.

The core principles are:

- taking a life-cycle approach;
- developing cost-effective management strategies for the long-term;
- providing a defined level of service and monitoring performance;
- understanding and meeting the impact of growth through demand management and infrastructure investment;
- managing risks associated with asset failures;
- sustainable use of physical resources; and
- continuous improvement in asset management practices.

MBRR Table A9

T5.3.3

# Chapter 5

Repair and maintenance expenditure 2017/18				
				R`000
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	88 622	178 895	64 406	114 489
				T5.3.4

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The maintenance plan in respect of every new infrastructure assets was not adequately prepared. The repairs and maintenance vote is not adequately monitored. Every director is responsible for ensuring that all assets (other than infrastructure assets) are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

T5.3.4.1

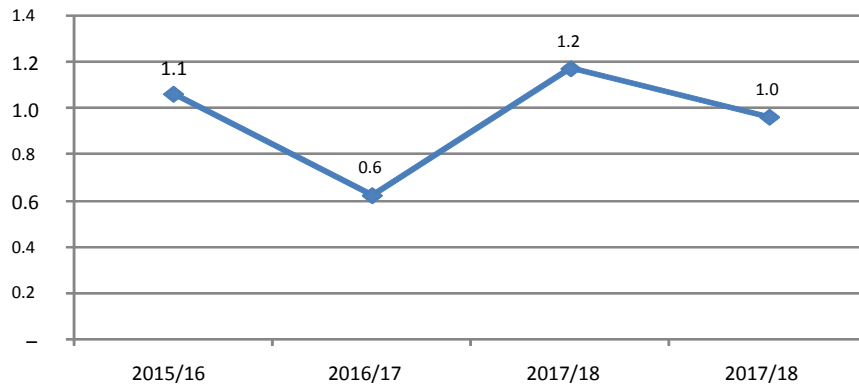
## RUTH POOTONA

### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



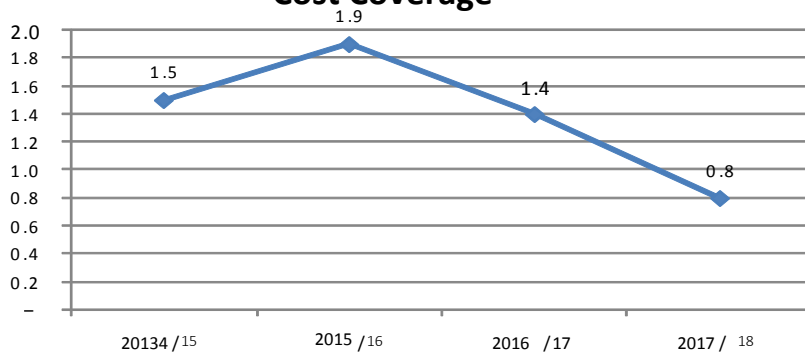
# Chapter 5

## Liquidity Ratio



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better.

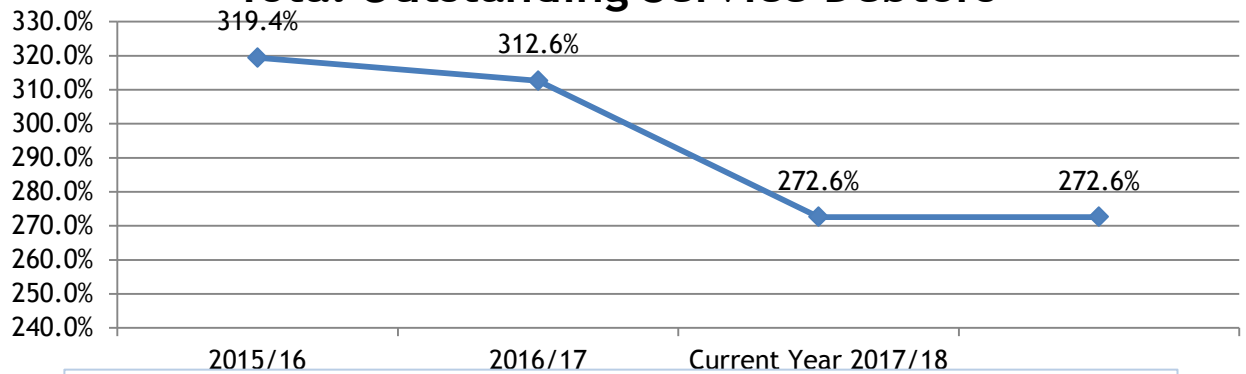
## Cost Coverage



Cost Coverage – It explains how many months expenditure can be covered by the cash and other liquid assets available to the M municipality excluding utilization of grants

# Chapter 5

## Total Outstanding Service Debtors



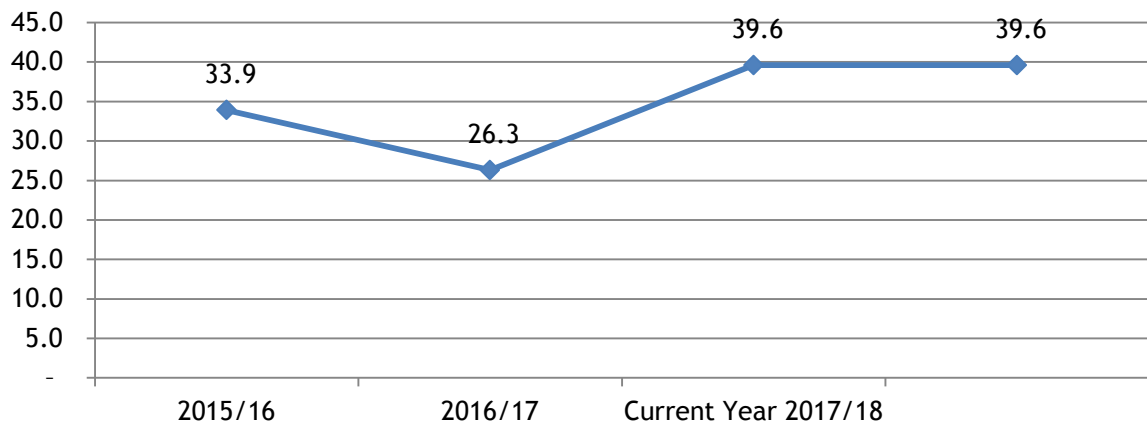
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8

Ratio	Basis of calculation	15/16	16/17	17/18	current year unaudited
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	319.4%	312.6%	272.6%	272.6%

Ratio	Basis of calculation	15/16	16/17	17/18	current year unaudited
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	33.9	26.3	39.6	39.6

## Chapter 5

### Debt Coverage



Debt Coverage— The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

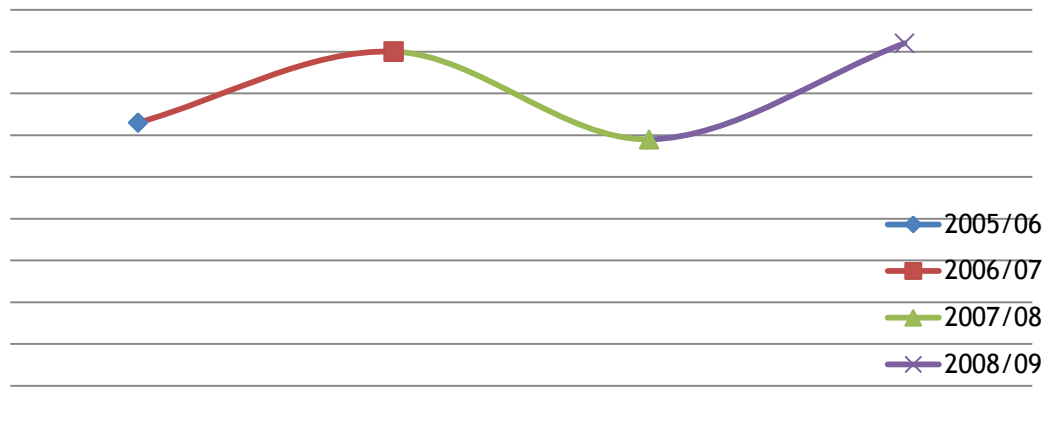
Data used from MBRR SA8

T5.4.4

**RUTH POOTONA**

# Chapter 5

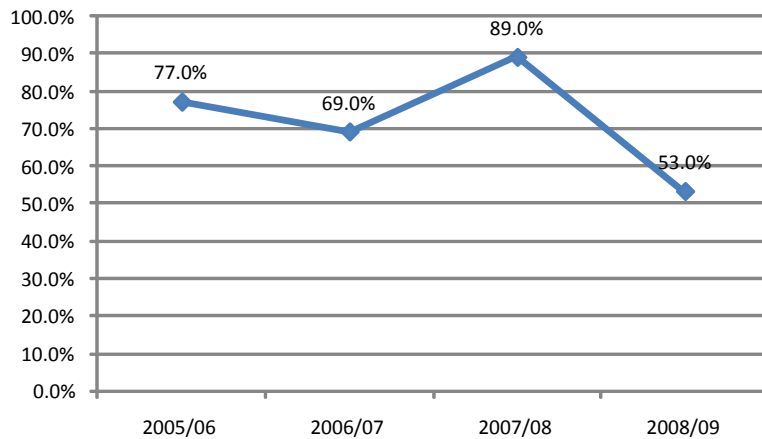
## Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

## RUTH POOTONA

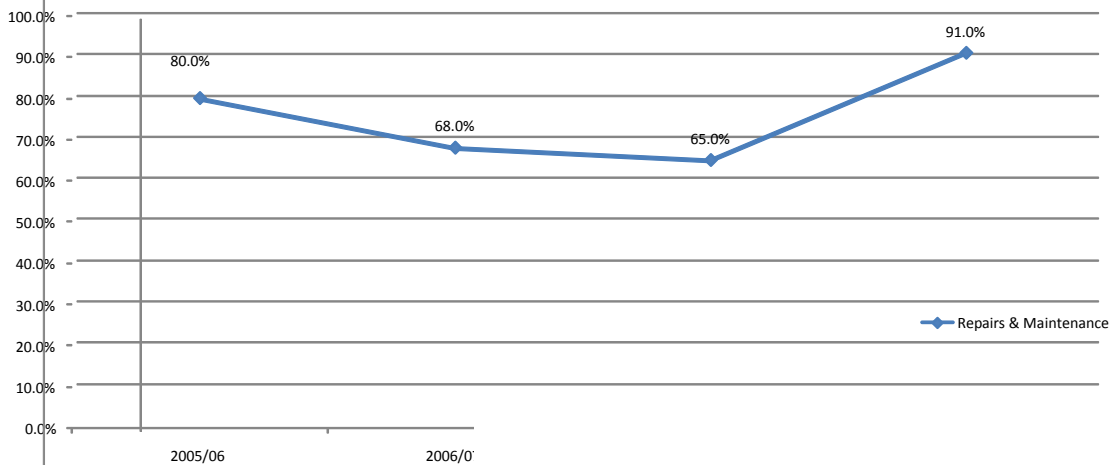
### Employee costs



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

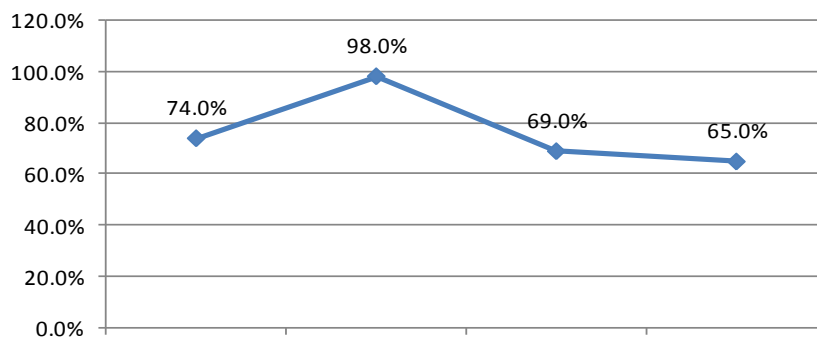
# Chapter 5

## Repairs & Maintenance



This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by the total operating expenditure.  
Data used from MBRR SA8

## Capital Charges to Operating Expenditure



# Chapter 5

## COMMENT ON FINANCIAL RATIOS:

**Delete Directive note once comment is complete-** Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table **SA8 of the MBRR**.

### Liquidity ratio

The municipality has invested more cash resources in debtors that are difficult to collect and this put the liquidity position of the municipality at risk.

### Solvency ratio

Generally the municipality total debt exceed its assets mainly due to significant water board debts.

### Current ration

Current assets exceed current liabilities mainly due to an increasing debt book. The municipality must put in efforts to collect debts as this will improve liquidity and provide a more informative current ratio position.

### Creditors payment period

The creditors payment period more than 365 days due to the expensive repayment terms on water boards debts.

### Debtors payment period

The debtors book is growing on an annual basis and currently sitting at more than 365 days. This is due to weak debt collection mechanisms.

T5.4.9

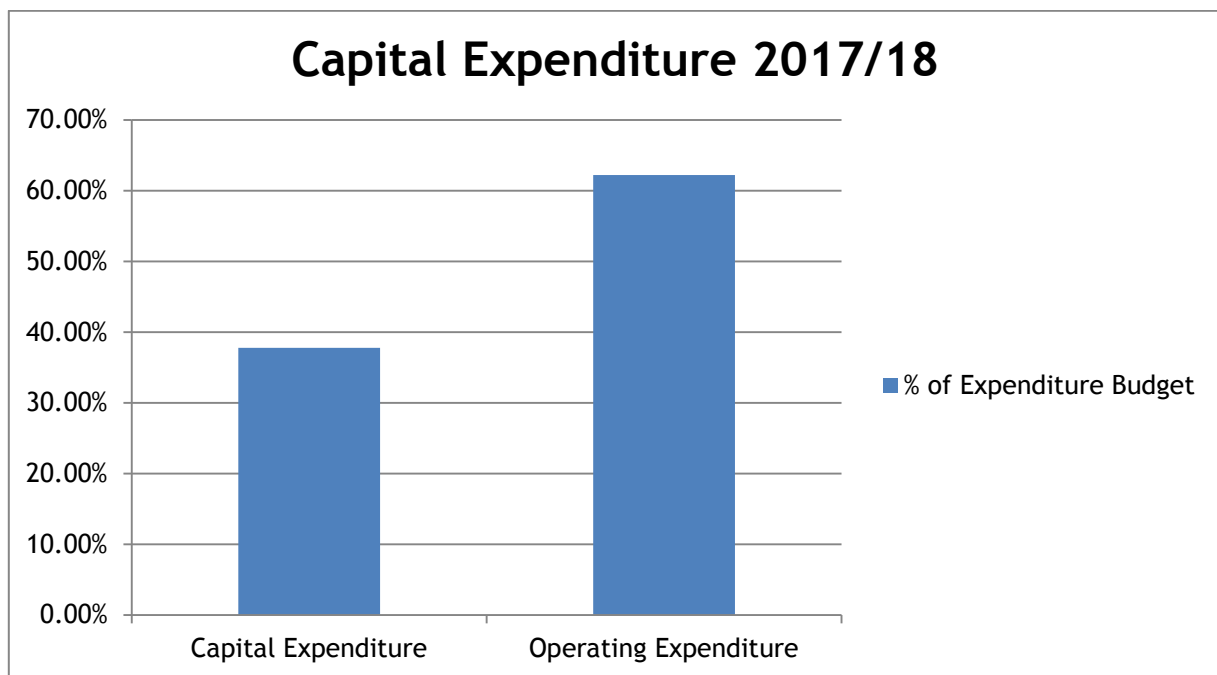
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The municipality makes use of both conditional (MIG and WSIG) and unconditional grants (Equitable shares) to purchase and/ or acquire its capital assets. The largest projects are in the forms of the capital expenditures include water and sanitation infrastructure assets in various villages in the district. Other capital expenditure include office furniture and equipment.

T5.5.0

# Chapter 5

	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	37.77%	641	610	610
Operating Expenditure	62.23%	1 035	1 006	1 227
<b>Total expenditure</b>		<b>1 676</b>	<b>1 616</b>	<b>1 838</b>
				T5.5.1



T5.5.1

## 5.6 SOURCES OF FINANCE

Capital Expenditure – funding sources 2015/16 -2016/17						
R'000						
Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<i>Source of finance</i>						
External Loans						
Public contributions and donations						

# Chapter 5

Capital Expenditure – funding sources 2015/16 -2016/17						
R`000						
Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Grants and subsidies	961 719	1 337 249	1 378 191	1 256 377	103	94
Other	215 089	249 060	243 177	230 439	98	93
<b>Total</b>						
<b>Percentage of finance</b>						
External Loans		-	-	-	-	-
Public contributions and donations		-	-	-	-	-
Grants and subsidies	961 719	1 337 249	1 378 191	1 256 377	103	94
Other	315 089	249 060		230 439	-	93
<b>Capital Expenditure</b>						
Water and Sanitation	511 811	604 645	591 962	534 142	98	88
Electricity		-	-	-	-	-
Housing		-	-	-	-	-
Roads and storm water		-	-	-	-	-
Other	25 002	36 190	18 614	15 568	51	43
<b>Total</b>						
<b>Percentage of expenditure</b>						
Water and Sanitation	95	94	97	97	66	67
Electricity	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Roads and storm water		-	-	-	-	-
Other	5	6	3	3	34	33
T5.6.1						

The variances above 10% were as a result of employee related costs on the operational expenditure budget, and on the water and sanitation related projects on the capital expenditure budget.

T5.6.1.1

## 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	Adjustment budget	Actual expenditure	Original variance (%)	Adjustment variance (%)	
Jopie Mawa to Ramotshinyadi	103 970	137 267	137 267	32	100	



# Chapter 5

Sefotse to Ditshosine bulk and reticulation	R 50 261	R 49 646	R 46 438	20%	93.5%
Hoedspruit Bulk Water Supply	R 34 855 481	R 14 855 481	R 12 121 994	42%	57%
Tours Bulk Water Scheme (Treatment Plant)	R 17 373 770	R 5 343 239	R 5 343 239	69%	100%
Jopie Mawa to Ramotshinyadi	103 970	137 267	137 267	32	100
<b>T5.7.1</b>					

## COMMENT ON CAPITAL PROJECTS:

Capital projects which incurred the highest expenditure includes the Jopie Mawa, Sefotse to Dishosine bulk water supply and reticulation, Hoedspruit Bulk Water Supply. Tours treatment works was budgeted R17m, due to challenges experienced on the project the budget was reduced

T5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

MDM has a total number of 296 319 households which are receiving water services from it. 84.2% of the community households have access to water, whereas 15,8% has no water in their communities. At least Ba-Phalaborwa has a backlog of 2,9% without water. The municipality that has the highest backlog is Greater Tzaneen Municipality and The municipality that has the lowest is Ba-Phalaborwa followed by Greater Letaba at 9,3%.

327 466 households which are receiving sanitation services. 96.2% of the community households have access to sanitation services, whereas 3.8% has no sanitation services in their communities. At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T5.8.1

# Chapter 5

	*service level above minimum standard		**service level below minimum standard	
	No. HHs	%HHs	No. HHs	%HHs
Water	Water	249 348	84%	46 935
Sanitation	Sanitation	315 255	96.2%	12 211
Electricity	Electricity	0	0%	0
Waste management	Waste management	0	0%	0
Housing	Housing	0	0%	0
% HHs are the service above/below minimum standard as a proportion of total HHs. `housing` refers to *formal and ** informal settlements				

Municipal Infrastructure Grant (MIG) *Expenditure 2017/18 on service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major Conditions applied by donor (continue below if necessary)
				budget	Adjustments budget	
<b>Infrastructure –Road transport</b>				%	%	
Roads, pavements & bridges				%	%	
Storm water				%	%	
<b>Infrastructure –Electricity</b>				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street lighting				%	%	
<b>Infrastructure – Sanitation</b>				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
<b>Infrastructure – other</b>				%	%	
Waste management				%	%	
Transportation				%	%	
Gas				%	%	
<b>Other Specify</b>				%	%	
<b>Water</b>	462 748 000	-15 000 000	413 866 290	92.4%	3.2%	Re-allocation of funds (reduced allocation)
				%	%	
				%	%	
<b>Total</b>				%	%	
*MIG is a Government grant program designed to fund a reduction in service backlogs, mainly: Water, Sanitation; roads; electricity,. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T5.8.3						

## COMMENT ON BACKLOGS:

MDM relies mainly on infrastructure grants to eradicate basic service delivery backlogs. These grants mainly focus on the water and sanitation infrastructure projects.

# Chapter 5

MDM has a total number of 296 319 households which are receiving water services from it. 84.2% of the community households have access to water, whereas 15,8% has no water in their communities. At least Ba-Phalaborwa has a backlog of 2,9% without water. The municipality that has the highest backlog is Greater Tzaneen Municipality and The municipality that has the lowest is Ba-Phalaborwa followed by Greater Letaba at 9,3%. 327 466 households which are receiving sanitation services. 96.2% of the community households have access to sanitation services, whereas 3.8% has no sanitation services in their communities. At least Greater Letaba has a backlog of 1,4% without sanitation services. The municipality that has the highest backlog is Greater Giyani Municipality with 8,2%. The municipality that has the lowest is Greater Letaba with 1,4% followed by Greater Tzaneen with 1,7%.

T5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow management of the municipality is critically importance given the current weaknesses on debt collection mechanisms. Own revenue billed is not collected.

The municipality adopted the cost containment measures from National Treasury with the aim of maximising on liquidity.

Due to limited own revenue streams, the municipality invests in call accounts on a regular to make extra income to complement funding for operational activities.

T5.9.0

### 5.9. CASH FLOW

# Chapter 5

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Percentage
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Other revenue	1 040 000	30 620 000	31 660 000	199 479 489	167 819 489	
Government - operating	763 067 000	941 042	764 008 000	835 749 961	71 741 961	
Government - capital	559 950 000	40 000 000	599 950 000	481 695 081	(118 254 919)	
Interest income	8 300 000	(2 000 000)	6 300 000	-	(6 300 000)	
	<b>1 332 357 000</b>	<b>69 561 042</b>	<b>1 401 918 000</b>	<b>1 516 924 531</b>	<b>115 006 531</b>	
<b>Payments</b>						
Employee costs	(423 931 000)	108 660 000	(315 271)	(383 400 497)	(383 085 226)	
Trade creditors	(592 129 000)	165 426 000	(426 703 000)	(549 158 947)	(122 455 947)	
Other cash item	-	-	-	(549 158 947)	(549 158 947)	
	<b>(1 016 060 000)</b>	<b>274 086 000</b>	<b>(427 018 271)</b>	<b>(1 481 718 391)</b>	<b>(1 054 700 120)</b>	
<b>Net cash flows from operating activities</b>	<b>316 297 000</b>	<b>343 647 042</b>	<b>974 899 729</b>	<b>35 206 140</b>	<b>(939 693 589)</b>	
<b>Cash flows from investing activities</b>						
Capital assets	(640 835 000)	30 359 000	(610 476 000)	(459 705 628)	150 770 372	
Finance lease payments	-	-	-	(1 116 807)	(1 116 807)	
<b>Net cash flows from investing activities</b>	<b>(640 835 000)</b>	<b>30 359 000</b>	<b>(610 476 000)</b>	<b>(460 822 435)</b>	<b>149 653 565</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(324 538 000)</b>	<b>374 006 042</b>	<b>364 423 729</b>	<b>(425 616 295)</b>	<b>(790 040 024)</b>	
Cash and cash equivalents at the beginning of the year	(109 357 699)	30 359 000	(610 476 000)	7 761 017	618 237 017	
<b>Cash and cash equivalents at the end of the year</b>	<b>(433 895 699)</b>	<b>404 365 042</b>	<b>(246 052 271)</b>	<b>(417 855 278)</b>	<b>(171 803 007)</b>	

# Chapter 5

## COMMENT ON CASH FLOW OUTCOMES:

The municipality's cash flow situation is critical given the commitments of the municipality mainly on the water boards debts. The total current liabilities exceed total current assets due to expensive repayment terms on water boards debts.

T5.9.1.1

## 5.10 BORROWING AND INVESTMENTS

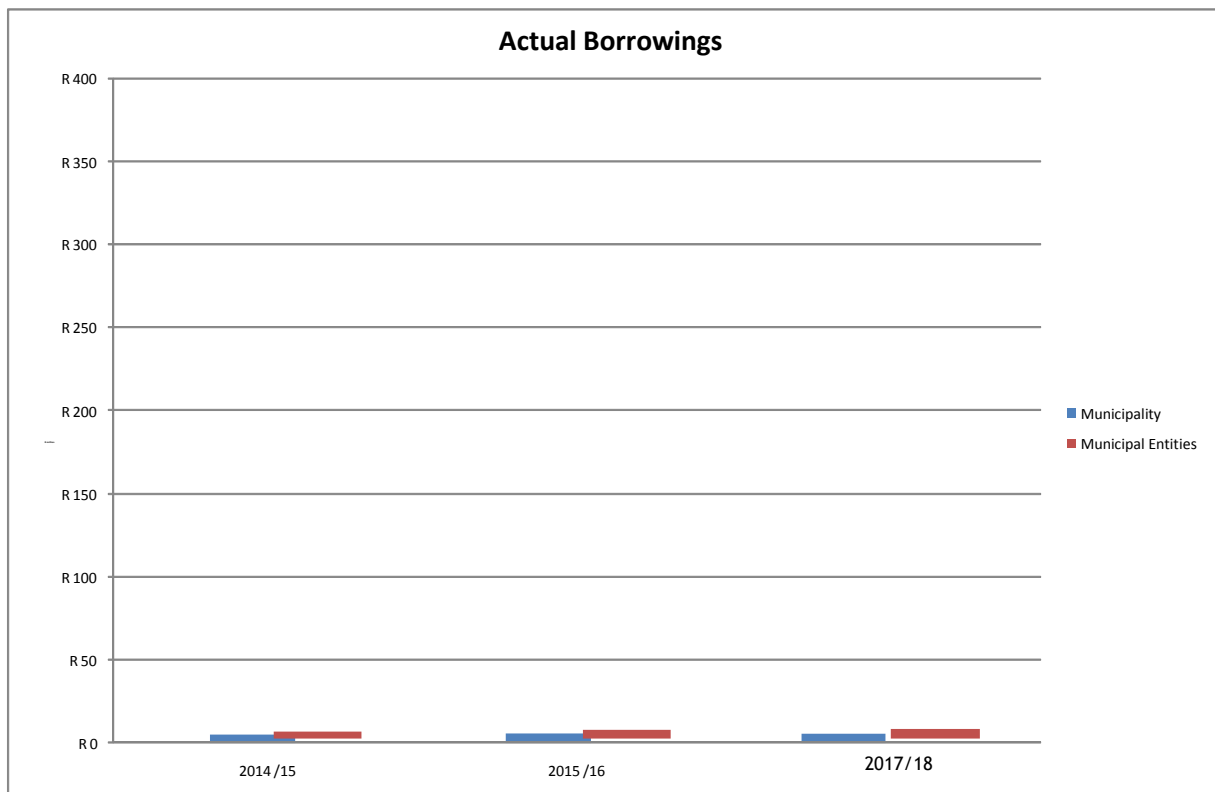
The municipality has no borrowing but rather short-term investments on call accounts arrangements. These investments are made on a spontaneous basis when cash resources are available. As already indicated the municipality does not have enough cash resources to afford investments on a fixed term basis.

T5.10.1

Actual Borrowings 2016/17 – 2017/18			
	R`000		
Instrument	2015/16	2016/17	2017/18
<b><u>Municipality</u></b>			
Long –term loans (annuity/reducing balance)	N/A	N/A	N/A
Long-term loans (non-annuity)	N/A	N/A	N/A
Local registered stock	N/A	N/A	N/A
Installment Credit	N/A	N/A	N/A
Financial leases	N/A	N/A	N/A
PPP liabilities	N/A	N/A	N/A
Finance Granted by Cap Equipment Supplier	N/A	N/A	N/A
Marketable Bonds	N/A	N/A	N/A
Non-marketable bonds	N/A	N/A	N/A
Bankers acceptances	N/A	N/A	N/A
Financial derivatives	N/A	N/A	N/A
Other securities	N/A	N/A	N/A
<b>Municipality Total</b>			
<b><u>Municipal Entities</u></b>			
Long –term loans (annuity/reducing balance)	N/A	N/A	N/A
Long-term loans (non-annuity)	N/A	N/A	N/A
Local registered stock	N/A	N/A	N/A
Installment Credit	N/A	N/A	N/A
Financial leases	N/A	N/A	N/A
PPP liabilities	N/A	N/A	N/A
Finance Granted by Cap Equipment Supplier	N/A	N/A	N/A

# Chapter 5

Marketable Bonds	N/A	N/A	N/A
Non-marketable bonds	N/A	N/A	N/A
Bankers acceptances	N/A	N/A	N/A
Financial derivatives	N/A	N/A	N/A
Other securities	N/A	N/A	N/A
Entities Total			
T5.10.2			



## Municipal and Entity investments

# Chapter 5

R`000			
Investment type	2015/16	2016/17	2017/18
	Actual	Actual	Actual
<b>Municipality</b>			
Securities – National Government	N/A	N/A	N/A
Listed Corporate Bonds	N/A	N/A	N/A
Deposits –bank	N/A	N/A	N/A
Deposits public investment commissioners	N/A	N/A	N/A
Deposits- corporation for public deposits	N/A	N/A	N/A
Bankers acceptance certificates	N/A	N/A	N/A
Negotiable certificates of deposit –banks	N/A	N/A	N/A
Guaranteed endowment policies (sinking)	N/A	N/A	N/A
Repurchase agreements – banks	N/A	N/A	N/A
Municipal bonds	N/A	N/A	N/A
Other	N/A	N/A	N/A
<b>Municipality sub-total</b>			
<b>Municipal Entities</b>			
Securities – National Government	N/A	N/A	N/A
Listed Corporate Bonds	N/A	N/A	N/A
Deposits –bank	N/A	N/A	N/A
Deposits public investment commissioners	N/A	N/A	N/A
Deposits- corporation for public deposits	N/A	N/A	N/A
Bankers acceptance certificates	N/A	N/A	N/A
Negotiable certificates of deposit –banks	N/A	N/A	N/A
Guaranteed endowment policies (sinking)	N/A	N/A	N/A
Repurchase agreements – banks	N/A	N/A	N/A
Municipal bonds	N/A	N/A	N/A
Other	N/A	N/A	N/A
<b>Entities sub-total</b>	N/A	N/A	N/A
<b>Consolidated total:</b>	N/A	N/A	N/A
<b>T5.10.4</b>			

## COMMENT ON BORROWING AND INVESTMENTS:

The municipality did not borrow or invest in 2017/18

T5.10.5

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

The municipality does not have Public Private Partnerships. This section of the report is not applicable.

T5.11.1

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

MDM had review the SCM policy in financial 2017/18 to be align with PPPFA Regulation 2017; MFMA SCM regulation 2005; MFMA Circular No 77 - Model SCM Policy for Infrastructure Procurement and Delivery Management -28 October 2015; MFMA Circular 83 - eTender Portal - 18 July 2016; MFMA Circular 90 - Tax Compliance Status - 30 January 2018; MFMA Circular 68 - Unauthorised Irregular Fruitless and Wasteful Expenditure with was adopted by council on 28 January 2018 & 28 May 2018.

Management through to SCM unit have implemented approved SCM policy and bid committee code of conduct to enhance compliance with as set down by SCM regulation 2005 where in all bid committee or SCM process there is no councillor member appointed or interfering in handling bidding process. Eleven official employed in SCM have MFMA competency level as per Regulation guideline however the MDM continuously developed SCM official through training & workshop to future capacities SCM official to enhance compliance

T5.12.1

### 5.13 GRAP COMPLIANCE

The municipality obtained an adverse opinion meaning that there was not compliance with GRAP reporting requirements. There is a turn-around plan in the form of the audit action plan to correct the situation.

T5.13.1



# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

The municipality received an adverse audit opinion from the Auditor-General, refer to the audit opinion below.

T6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2016/17

### 6.1 AUDITORGENERAL REPORTS 2016/17

Auditor-General Report on Service Delivery Performance 2016/17	
Audit Report status*:Disclaimer	
Non-Compliance Issues	Remedial Action Taken
Commitments – Misstatement of Commitments	Investigate all the misstatements on the commitment register, correct the misstatement by adjusting the prior year commitment register. Maintain monthly commitment register.
Commitments - Understatement of commitment	Investigate all the understatements in the commitment register, correct the understatements by adjusting the prior year commitment register. Maintain monthly commitment register.
Commitments- Contract amounts per commitment schedule do not agree to the verified contracted amount	Ensure that the amounts reflecting on the contract register and the appointment letters correspond to the amount reflected on the commitment register. Maintain monthly commitment register.
Commitment - Commitment not properly disclosed	Ensure that all projects which the municipality is an implementing agent are not included on the commitment register. Remove all projects which the municipality is an implementing agent. Maintain monthly commitment register.
Commitments - Non submission of contracts	Maintain and review for GRAP compliant, a monthly commitment register.  Two way review process of the commitment register by the CFO or delegate, as well as by a Senior Technical or Director in all affected technical departments.  Appoint an independent expert to the review the commitment register against disclosures in the AFS a month before both are due for external audit.  Validation of the work done on commitments by the internal audit.

# Chapter 6

Compensation of employees - Payroll report figures does not agree with AFS figures.	Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.
Compensation of employees - Misstatement in car allowance	Review and adjust the car allowances of all employees in line with the car allowance policy.
Compensation of employee: Differences noted between AFS and Payroll Rep	Intergrade the payroll and financial system to ensure real time update of both the general ledger and trial balance when payroll transactions and balances are recorded and updated. Ensure timely reconciliation with the financial system and payroll system.
Compensation of employees - non-submission of documents	<p>Ensure proper record keeping of the financial documents. Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Year-end journals - Journals not authorised	Introduce consequence management for all employees in finance who process journals through the financial system without authorisation from the CFO or delegate.
Going concern- Insufficient assessment of going concern	<p>Continue to explore ways of ensuring that the water revenue collected by local municipalities is deposited into the district bank account.</p> <p>Continue to enforce cost containment measures and closely monitor</p>
Various sections - Scope Limitation	<p>Ensure proper record keeping in a of all financial documents which will support AFS. Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
High level review - AFS High level and Differences noted between AFS, TB and GL	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the GL and TB</p>
Accumulated surplus - Difference between General Ledger and the AFS	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the GL and TB</p>

# Chapter 6

UIFW- Difference between Schedule and the AFS	<p>Ensure that the amount reflected on the UIFW agree to the register</p> <p>Two way review process of the UIFW register by the CFO or delegate, as well as by Deputy Manager: SCM or delegate.</p> <p>Monthly review of the UIF register by internal audit.</p>
UIFW- Incorrectly disclosed	<p>Ensure that the municipality will disclose the information concerning UIFW as per the AGSA recommendations.</p> <p>Monthly review of the UIF register by internal audit.</p>
UIFW-Incorrect opening balances	<p>Ensure that the opening balances as per the current AFS correspond to the closing balances as per the audited AFS.</p>
: UIFW Expenditure - No investigations performed and no reports submitted to Mayor, MEC & AG-General	<p>Development and monitoring of the UIFW investigation program with dates by MPAC.</p> <p>The program will be tabled for adoption in council and be monitored as part of council resolutions.</p>
GRAP 104 Disclosure - Non disclosure of GRAP 104	<p>Maintain and review for GRAP compliant, a monthly AFS disclosure notes.</p> <p>Appoint an independent expert to the disclosures in the AFS against monthly registers a month before same are due for external audit.</p>
GRAP 24 Disclosure - inconsistencies identified	<p>Appoint an independent expert to the disclosures in the AFS against monthly registers a month before same are due for external audit.</p> <p>Monthly preparation and review of statement of comparison between budget and actual.</p> <p>Monthly Interim audit of statement of comparison between budget and actual before the external auditor.</p>
PPE - Additions were incorrectly disclosed.	<p>Ensure that the additions for current year are disclosed correctly on the note to AFS. Correct the error in the prior year.</p>
PPE - Understatement of work in progress	<p>Adjustment journals will be processed for the correction of the error. The 2017/18 WIP register will be reviewed on a monthly basis</p>
PPE - Difference noted between AFS, TB and fixed assets register	<p>Differences identified during the audit will be investigated and prior year adjustment will be made to correct the errors.</p>
PPE - Overstatement of Infrastructure additions	<p>Adjustment journals will be processed for the correction of the error. PMU and asset division will assist each other in terms of completed projects.</p>
PPE - Understatement of property plant and equipment	<p>2016/17 WIP will be reviewed and the projects will be physically verified to ensure that the error is corrected</p>

# Chapter 6

PPE - WIP opening balance understated	<p>Submit the asset register monthly to the technical directorates for review of the WIP projects descriptions and amounts, to ensure completeness, existence and valuation.</p> <p>Validation of the work done asset register by internal audit.</p>
PPE - Assets not physically verified	<p>Team-up with the assets consultants on the asset verifications to ensure that the asset register is completely confirmed and updated with assets that physically exist and belong to the municipality.</p> <p>Monthly internal audit review of the asset register.</p>
PPE- Rights –Misstatement of PPE misstatement	<p>The 2016/17 Asset register will be reviewed and the identified assets will be investigated and removed from the asset register.</p>
PPE Existence – Physical verification	<p>Team-up with the assets consultants on the asset verifications to ensure that the asset register is completely confirmed and updated with assets that physically exist and belong to the municipality.</p> <p>Validation of the work done on asset register by internal audit.</p>
Valuation – Landfill site unbundling	<p>Detailed communication between the AFS preparation consultants and valuation experts on GRAP compliant disclosure requirements and consideration when preparing for the valuation disclosures.</p> <p>Preparation of a detailed disclosure requirements checklist on landfill sites by the AFS preparation consultant to the valuator, to enable preparation of the AFS.</p>
PPE - misstatement in depreciation recalculation	<p>Review of the asset register by the CFO and the AFS consultants of all amounts in the asset register, including depreciation charges.</p>
Assets written off as operating expenditure	<p>Engage the AFS consultants in the review of recorded and allocated transactions on a monthly basis to ensure proper classification of transactions and amounts, as well as recording thereof in the asset register and other related registers.</p>
Limitation of scope	<p>Ensure proper record keeping of documents to support the AFS. Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>

# Chapter 6

Cut Off Limitation of scope	<p>Ensure proper record keeping of financial document that support AFS. Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Differences noted	<p>Introduce controls to ensure that transactions in the locals are truly reflected in the District AFS. Request for a submission of the AFS for audit after the locals have submitted. This will assist in ensuring that any unexpected changes in the locals AFS are identified, discussed and disclosed by the district.</p>
Payables - Differences noted between AFS, TB and GL	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the asset register, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the asset register, GL and TB.</p> <p>Validation of the work done on assets the asset register by internal audit.</p>
Payables – Inter-municipal account-Greater Giyani Municipality	<p>Introduce controls to ensure that transactions in the locals are truly reflected in the District AFS. Request for a submission of the AFS for audit after the locals have submitted. This will assist in ensuring that any unexpected changes in the locals AFS are identified, discussed and disclosed by the district.</p>
Fruitless expenditure - understatement of fruitless and wasteful	<p>Continuous efforts to ensure effective management of the municipality's cash flow statement with the aim of ensuring early accounts settlements and thereby avoiding fruitless expenditure.</p>
Trade payables - Non submission of documents	<p>Ensure proper record keeping of financial documents that support the AFS Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
PPE-Difference noted between Recalculated Retention and registers	<p>Submit the asset register as well as retention register monthly to the technical directorates for review of the WIP projects descriptions and amounts, to ensure completeness, existence and valuation.</p>

# Chapter 6

Payables from exchange transactions - Incorrect recording of trade payable	Maintain a monthly trade payables listings.  Ensure accurate and complete financial and performance reports which are supported by records
Trade payables - Understatement of payables	Maintain a monthly trade payables listings.  Ensure accurate and complete financial and performance reports which are supported by records
Awards made to supplier who did not declare interest	Request treasury to, from the bids awarded, identify the awards to employees of the state on a quarterly basis.  Request AGSA for a list of cases prior to the AFS preparation with the aim of disclosing such as non-compliances.
Non-disclosure of interest by employees of state institutions	Ensure that all employees complete declaration forms by calling all employees to complete and update their disclosure forms.  Apply consequence management on employees who do not comply with disclosure requirements.
Non-disclosure of other interest by municipal employees	Ensure that all employees complete declaration forms by calling all employees to complete and update their disclosure forms.  Apply consequence management on employees who do not comply with disclosure requirements.
Noncompliance in SCM regulation 32	Discontinue regulation 32 except in critical conditions.
Irregular awarding of bids Accounting officer did not ratify the decision to award	Ensure that all Bid adjudication processes are be followed.
Award made to supplier owing the state	Ensure that all bid adjudication processes are be followed.
CIDB - Non compliance	Ensure that all documents required during for tender processes are included in all tenders awarded through regulation 32
Municipality failed to re-advertise a tender after supplier responded less than 90/10	Ensure compliance with preferential procurement regulation
The municipality failed to follow the required regulations for SCM	Ensure that suppliers with highest points are awarded contracts. Ensure that wards are made in line with the Preferential Procurement Regulations.
Overstatement of leave provisions	Maintain and review for GRAP compliant, a monthly provisions listing.  Two way review process of the listing by the CFO or delegate, as well as by a Senior HR personnel or Director: Corporate Services.  Engagement of an independent expert to the review the provisions listing from the actuaries against disclosures in the AFS a month before both are due for external audit.

# Chapter 6

	<p>Monthly review of the provisions listing by internal audit.</p> <p>Interim audit of commitments by the external auditor.</p>
Understatement (Completeness)	Ensure correction of all employees who were incorrectly included in the Ba-Phalaborwa bonus and leave provision are recorded in the books the records of MDM. Review of annual financial statement to ensure that only reports on the figures that relate to the municipality
Overstatement of impairment –GRAP 104 assessment	Engage the AFS consultants to prepare the GRAP compliant disclosure notes on accounts receivables including impairment notes.
Journal processed not appropriately supported by supporting documents	Introduce consequence management for all employees in finance who process journals through the financial system without authorisation from the CFO or delegate.
Ba-Phalaborwa revenue - incorrectly calculated amount billed to consumers	<p>Appointment of a firm responsible for water transactions reconciliations.</p> <p>Monthly reconciliations and review of the billing reports.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>
Value Added Tax - Internal controls over cash collection	<p>Appointment of a joint firm to do VAT for both the district and local municipalities.</p> <p>Review of the VAT reconciliations by the CFO and AFS preparation consultants.</p>
VAT Receivables - misstatement	<p>Appointment of a joint firm to do VAT for both the district and local municipalities.</p> <p>Review of the VAT reconciliations by the CFO and AFS preparation consultants.</p> <p>Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Cash and cash equivalents - Completeness	Engage the AFS consultants to prepare the GRAP compliant disclosure notes on cash and bank related policies.

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Cash and cash equivalents - Non submission of journals	<p>Ensure proper record keeping of all financial documents to support AFS. Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Remuneration of councillors - differences noted	Engage the AFS consultants to prepare the GRAP compliant disclosure notes on employee related costs.
Employee cost- Differences between General ledger amounts and AFS amounts on Defined Contribution plan	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the asset register, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the asset register, GL and TB.</p> <p>Validation of work done on asset register by internal audit.</p>
Employee cost- Identified differences when recalculating Basic salary and travel allowance for councillors	<p>Monthly preparation and review of the reconciliation between the payroll and upper limits of councillors.</p> <p>Certification of the councillors benefits by HR before payments.</p> <p>Validation of work done by internal audit</p>
Compensation of employees - differences in standby allowance	<p>Monthly preparation and review of the reconciliation between the payroll and upper limits of councillors.</p> <p>Certification of the councillors benefits by HR before payments.</p> <p>Validation of work done by internal audit</p>
Other MFMA disclosure - Completeness	<p>Maintain and review for GRAP compliant, a monthly AFS disclosure notes.</p> <p>Appoint an independent expert to the disclosures in the AFS against monthly schedules a month before same are due for external audit.</p>
Other MFMA disclosure - Understatement of PAYE and UIF disclosed	<p>Maintain and review for GRAP compliant, a monthly AFS disclosure notes.</p> <p>Appoint an independent expert to the disclosures in the AFS against monthly schedules a month before same are due for external audit.</p>



# Chapter 6

AFS- Accounting policies	<p>Maintain and review for GRAP compliant, a monthly AFS disclosure notes.</p> <p>Appoint an independent expert to the disclosures in the AFS against monthly schedules a month before same are due for external audit.</p>
Various sections - Scope Limitation	<p>Ensure proper record keeping of all financial documents to support AFS Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Interest received - Overstatement of Interest received	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the investment register, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the asset register, GL and TB.</p> <p>Validation of work done on the asset register by internal audit.</p>
Use of consultants - Internal control deficiency	<p>Reduce over reliance by drafting consultancy reduction plan. Put measures in place to monitor performance of consultants on monthly basis. Put clauses in the SLA that enforces them to transfer skills.</p>
PPE - Assets held for sale were held for more than 12 months period	<p>Maintain and review for GRAP compliant, a monthly AFS disclosure notes.</p> <p>Appoint an independent expert to the disclosures in the AFS against monthly registers a month before same are due for external audit.</p> <p>Interim audit of commitments by the external auditor.</p>
PPE- Non- compliance with NT guidelines	<p>Rework the asset register using the services of an expert to align the useful lives to the NT guidelines.</p>

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Expenditure - Differences between GL and AFS (lead schedule)	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the lead schedules, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the he lead schedules, GL and TB</p> <p>Validation of work done on assets register by internal audit</p>
Expenditure - Recurring expense not recorded	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the lead schedules, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the he lead schedules, GL and TB</p>
Travel Claims- Differences between the payroll travel claimed and the GL amounts	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the lead schedules, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the he lead schedules, GL and TB</p> <p>Validation of work done on assets register by internal audit.</p>
Contracted Service – Overstatement of Ba-Phalaborwa expenditure and understatement of Mopani Expenditure	<p>Appointment of a firm responsible for water transactions reconciliations.</p> <p>Monthly reconciliations and review of the billing and expenditure reports.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>
Expenditure - Transactions before year end not recorded on GL or CL	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the lead schedules, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the he lead schedules, GL and TB</p>

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	Validation of work done on assets register by internal audit
Expenditure - VAT included in the transaction amount	<p>Appointment of a joint firm to do VAT for both the district and local municipalities.</p> <p>Review of the VAT reconciliations by the CFO and AFS preparation consultants.</p>
Expenditure- S & T- Travel claims: Differences noted on kilometres claimed Vs Audited kilometres	<p>Dedicate a team of officials to focus on S&amp;T claims review</p> <p>Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Expenditure- S & T- Travel claims limitation	<p>Dedicate a team of officials to focus on S&amp;T claims review</p> <p>Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for the task team.</p>
Difference between the creditor's listing and the AFS	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS for consistence with the creditors listing, lead schedules, GL and TB</p> <p>Monthly preparation and review of the reconciliation between the creditors listing, lead schedules, GL and TB</p> <p>Validation of work done on assets register by internal audit.</p>
Payables from exchange transactions - Scope of limitation	<p>Introduce an audit task team to only focus on accumulation of all financial and non-financial records expected to be required for audit. Clear terms of reference will be drafted and adopted for this task team.</p> <p>A detailed list will form part of the terms of reference for</p>

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	the task team.
Trade payables - Salga - Not an accrual	<p>Engage the AFS consultants to prepare the GRAP compliant disclosure notes on employee related costs.</p> <p>Engage the AFS preparation consultants throughout the financial year in the preparation of monthly financial reports and reconciliation to avoid discrepancies between the AFS and supporting schedules during the AFS preparations.</p>
Procurement and Contract Management - Inadequate SCM Policy	<p>The following SCM regulation 46(3) : that all declarations by the accounting officer must be made to the mayor of the municipality or the board of directors of the municipal entity who must ensure that such declarations are recorded in the register</p> <ul style="list-style-type: none"> <li>• PPPFA BBEE status ratings</li> <li>• Use of national treasury CSD</li> </ul> <p>will be updated during the SCM policy review.</p>
Provision for Bonus - understatement of bonus provision	<p>Appointment of a firm responsible for water transactions reconciliations and balances.</p> <p>Monthly reconciliations and review of water reports.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>
Landfill site - Provision and Assets	Engage the AFS consultants to prepare the GRAP compliant disclosure notes on provisions.
Receivables - Non-compliance with the Credit control and debt collection an consumer care policy	<p>Appointment of debtor collector</p> <p>Monitoring of the debt collector performance against the terms of reference and credit control policies.</p> <p>Internal audit will review the compliance with all finance policies and advise on improvements before external audit commences.</p>
Receivables - Non-compliance with the Municipal Systems Act	<p>Appointment of a firm responsible for water transactions reconciliations.</p> <p>Monthly reconciliations and review of the billing reports to ensure that the consumers are billed correctly and that the indigent consumers are considered correctly.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>

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Related Parties - differences noted between payroll and disclosed remuneration amounts.	<p>Utilise the financial system responsible for the development of the general ledger and trial balance to also produce a set of AFS.</p> <p>Appoint an independent expert to the review the AFS and related disclosure with the GL and TB.</p> <p>Monthly internal audit first level review of the AFS before submission for external audit.</p>
Revenue - Discrepancies identified between the amount billed to the customers and the auditor's recalculation	<p>Appointment of a firm responsible for water transactions reconciliations.</p> <p>Monthly reconciliations and review of the billing reports.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>
Ba-Phalaborwa Revenue-Difference between amount disclosed on Mopani records to those of local	<p>Appointment of a firm responsible for water transactions reconciliations.</p> <p>Monthly reconciliations and review of the billing reports.</p> <p>Monthly meetings to discuss and adopt the reconciliations, including the CFO forum.</p>
Contingent Liability and Assets - Scope limitation, Accuracy & completeness.	<p>Maintain and review for GRAP compliant, a monthly contingent liabilities register.</p> <p>Two way review process of the commitment register by the CFO or delegate, as well as by Manager: Legal Services or delegate. All existing legal files are being properly prepared with all documents required and after they will be properly filed for easy reference</p> <p>Appoint an independent expert to the review the contingent register against disclosures in the AFS a month before both are due for external audit.</p> <p>Validation of the work done on commitment register by internal audit.</p> <p>Interim audit of commitments by the external auditor.</p>
Consequence management - disciplinary board not appointed	<p>Appoint a disciplinary board with clear terms of reference.</p> <p>The appointment will be tabled and confirmed with council.</p>
Internal audit - no quality audit assessment	<p>Internal audit will allocate budget during mid-year budget adjustment to assist in the appointment of the service provider or external quality assessor to assess the Internal Audit Activity. An alternative can also be devised to seek either assistance of National Treasury or Provincial Treasury to perform this exercise in case</p>

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Non submission of documents	To improve proper filing in the contract management section. In consultation with legal unit, will ensure that there are contracts with all service providers
Compensation of employees compliance- Performance agreements, annual evaluations and competency tests not done	Management has resolved on cascading of performance assessments for employees below directors. This process will be monitored with support from council.
User access management - Evidence of reviews	Process for reviewing of activities of the person granting access to system for users are documented in MDM IT Policies, Guidelines, and Procedures in the User Account & Password Management Policy (section 3.5.6, bullet 9). However, the policy has not been implemented due to limited staff in the IT Office during the period of review. This will be corrected by recent appoint of IT Officer who will do the granting of access and the Assist Director IT reviewing her activities.
IT Service continuity - Backup register	Although backup in done on tapes, and weekly backup deposited at the Disaster Management Centre for safe keeping offsite, backup register has not been adequately maintained. Processes to ensure proper record keeping will be established.
: IT Service continuity - No evidence to prove that backups are done on weekly basis	.Although backup in done on tapes, and weekly backup deposited at the Disaster Management Centre for safe keeping offsite, backup register has not been adequately maintained. Processes to ensure proper record keeping will be established.
IT service continuity - No approved disaster recovery plan	A project for development and implementation of IT Disaster Recovery Plan will commence before end of March 2018.
Policies not reviewed - Internal controls	To ensure that policy are reveiwed annually to reflect compliance with amended acts and other legislation. All policies will be reviewed by 30 March 2018
Compensation of employees – misstatement of overtime paid	Benchmarking of disaster management services overtime and related benefits with other district municipalities to ensure consistency of payment methods and amounts. Will also revisit the roster of fire fighters as the vacant posts are now being filled. Ensure that overtime are correctly calculated as per the prescribed formular
Distribution loss - distribution losses incorrectly calculated	Appoint an independent technical expert to calculate and provide an AFS disclosure note for the distribution losses.

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Contingent Liability and Assets - Scope limitation, Accuracy & completeness.	<p>Maintain and review for GRAP compliant, a monthly contingent liabilities register.</p> <p>Two way review process of the commitment register by the CFO or delegate, as well as by Manager: Legal Services or delegate. All existing legal files are being properly prepared with all documents required and after they will be properly filed for easy reference</p> <p>Appoint an independent expert to the review the contingent register against disclosures in the AFS a month before both are due for external audit.</p> <p>Validation of the work done on commitment register by internal audit.</p> <p>Interim audit of commitments by the external auditor.</p>
Consequence management - disciplinary board not appointed	<p>Appoint a disciplinary board with clear terms of reference.</p> <p>The appointment will be tabled and confirmed with council.</p>
Internal audit - no quality audit assesement	Internal audit will allocate budget during mid-year budget adjustment to assist in the appointment of the service provider or external quality assessor to assess the Internal Audit Activity. An alternative can also be devised to seek either assistance of National Treasury or Provincial Treasury to perform this exercise in case
Non submission of documents	To improve proper filing in the contract management section. In consultation with legal unit, will ensure that there are contracts with all service providers
Compensation of employees compliance- Performance agreements, annual evaluations and competency tests not done	Management has resolved on cascading of performance assessments for employees below directors. This process will be monitored with support from council.
User access management - Evidence of reviews	Process for reviewing of activities of the person granting access to system for users are documented in MDM IT Policies, Guidelines, and Procedures in the User Account & Password Management Policy (section 3.5.6, bullet 9). However, the policy has not been implemented due to limited staff in the IT Office during the period of review. This will be corrected by recent appoint of IT Officer who will do the granting of access and the Assist Director IT reviewing her activities.
IT Service continuity - Backup register	Although backup in done on tapes, and weekly backup deposited at the Disaster Management Centre for safe keeping offsite, backup register has not been adequately maintained. Processes to ensure proper record keeping will be established.

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: IT Service continuity - No evidence to prove that backups are done on weekly basis	.Although backup in done on tapes, and weekly backup deposited at the Disaster Management Centre for safe keeping offsite, backup register has not been adequately maintained. Processes to ensure proper record keeping will be established.
IT service continuity - No approved disaster recovery plan	A project for development and implementation of IT Disaster Recovery Plan will commence before end of March 2018.
Policies not reviewed - Internal controls	To ensure that policy are reveiwed annually to reflect compliance with amended acts and other legislation. All policies will be reviewed by 30 March 2018

Note:\* The report`s status is supplied by the Auditor – General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)

T6.1.1

## Auditor-General Report on Service Delivery Performance 2016/17

Audit Report status\*: **Disclaimer**

Non Compliance issues	Remedial action taken
AOPO - No evidence to prove that Performance Management System is adopted by council	Ensure that PMS of the municipality is adopted by council and the proof is properly kept
AOPO - Non-submission of valid supporting documents	Ensure that information is properly recorded and documents and relevant information is properly kept.
AOPO - Assessment of municipality's half financial year performance	Ensure that the municipal manager assess mid-year performance by the 25 of January 2018 and ensure that the report is table to council for adoption before the end of January 2018
AOPO - No approval of changes to targets	Ensure that all the indicators are realistic and changes of indicators can only be done during the mid-year budget and performance adjustment and should be appropriately approved by council.
AOPO - Presentation and disclosure of indicators	Ensure that all measures to improved performance and corroborated by valid evidence
AOPO - Inconsistencies between APR and SDBIP	Ensure that there is consistency between SDBIP and the APR



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AOPO - Differences Between the APR and POE's Submitted	Ensure proper record keeping of information to support APR
AOPO - Number of Jobs created through Municipal Initiatives-POE's not Agreeing to the APR	Provide appropriate evidence on the number of jobs created in line with the information submitted in the APR
AOPO - Number of water Project completed-Reported number not accurate and Complete	Provide appropriate evidence on the number of project completed in line with the information submitted in the APR
AOPO - Number of Jobs created through SMME's Initiative-Reported Information not Validated	Development of a Questionnaire to develop needs of SMMEs and to interview them in order to determine the benefits of exhibitions
AOPO - Number of SMME Supported-Evidence provided not Specific	Development of smart indicators. Collation of financial report from the CFO and reporting accordingly.
AOPO - Indicator not well defined and measurable	the indicator will be refined to ensure that it is realising and measurable
AOPO - Number of Functional water flow metres at reservoirs-Reported Information cannot be Validated	Ensure that all reservoirs are metered. Provide complete and accurate information.
AOPO - Number of Villages Provided with water-Reported Information not Validated	Keep valid record in relation to the number of villages provide with water
AOPO - Number of mega litres of water produced-Indicator Not accurate	Refine the indicator of Number of mega litres of water produced
AOPO- Number of Functional water flow metres at reservoirs-Indicator Not Specific	Refine the indicator on the number of Functional water flow metres at reservoirs to be specific
AOPO - No evidence to prove that Performance Management System is adopted by council	Ensure that PMS of the municipality is adopted by council and the proof is properly kept
AOPO - Non-submission of valid supporting documents	Ensure that information is properly recorded and documents and relevant information is properly kept.
AOPO - Assessment of municipality's half financial year performance	Ensure that the municipal manager assess mid-year performance by the 25 of January 2018 and ensure that the report is table to council for adoption before the end of January 2018
AOPO - No approval of changes to targets	Ensure that all the indicators are realistic and changes of indicators can only be done during the mid-year budget and performance adjustment and should be appropriately approved by council.
AOPO - Presentation and disclosure of indicators	Ensure that all measures to improved performance and corroborated by valid evidence
AOPO - Inconsistencies between APR and SDBIP	Ensure that there is consistency between SDBIP and the APR
AOPO - Differences Between the APR and POE's Submitted	Ensure proper record keeping of information to support APR

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AOPO - Number of Jobs created through Municipal Initiatives-POE's not Agreeing to the APR	Provide appropriate evidence on the number of jobs created in line with the information submitted in the APR
AOPO - Number of water Project completed-Reported number not accurate and Complete	Provide appropriate evidence on the number of project completed in line with the information submitted in the APR
AOPO - Number of Jobs created through SMME's Initiative-Reported Information not Validated	Development of a Questionnaire to develop needs of SMMEs and to interview them in order to determine the benefits of exhibitions
AOPO - Number of SMME Supported-Evidence provided not Specific	Development of smart indicators. Collation of financial report from the CFO and reporting accordingly.
AOPO - Indicator not well defined and measurable	the indicator will be refined to ensure that it is realising and measurable
AOPO - Number of Functional water flow metres at reservoirs-Reported Information cannot be Validated	Ensure that all reservoirs are metered. Provide complete and accurate information.
AOPO - Number of Villages Provided with water-Reported Information not Validated	Keep valid record in relation to the number of villages provide with water
AOPO - Number of mega litres of water produced-Indicator Not accurate	Refine the indicator of Number of mega litres of water produced
AOPO- Number of Functional water flow metres at reservoirs-Indicator Not Specific	Refine the indicator on the number of Functional water flow metres at reservoirs to be specific
T6.1.1	

## COMPONENT B: AUDITOR-GENERAL OPINION 2017/18

### 6.2 AUDITOR GENERAL REPORT 2017/18

Auditor-General Report on Financial Performance 2017/18	
Audit Report status*:	
Non-Compliance Issues	Remedial Action Taken
Note:* The report's status is supplied by the Auditor – General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual Report but following the receipt of the Auditor-General Report on Financial Performance 2017/18	
T6.2.1	

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Audit Report status\*: **Adverse**

Non Compliance issues	Remedial action taken
Employee costs - Differences between the general ledger and the financial statements	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Employee costs - Directors Remuneration not disclosed	GRAP compliant review of the financial statements by the audit committee, internal audit, CFO and the external service provider.
Employee costs-Differences between the overtime hours on the timesheet and paid overtime hours	Introduction of payment claims cut-off date by the CFO that allows for thorough review of benefits and allowances to be paid to employees before pay day.
Leave provision and payouts-Differences	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Employee costs-Workman's Compensation expenditure for the year was not accounted for in the accounting records.	<p>Lack of sufficient time by the audit committee to review the AFS</p> <p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p> <p>Monthly review of transactions in the general ledger for completeness using trend analysis, year-to-year comparisons and physical invoices and claims.</p>
Consultants	<p>GAP analysis will be performed on each area of use of consultants.</p> <p>A detailed plan on the use of consultants will be put together and monitored accordingly.</p>

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Assets-Difference between correction of error note and movement in the comparatives	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
PPE-Depreciation: Difference between Fixed asset register and Annual Financial Statements	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
PPE-Property, plant and equipment differences identified and incorrect disclosure of depreciation on leased assets	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
PPE-Difference between capitalized amounts and the Invoice	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>

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PPE-Difference between capitalised amount and the Invoice	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Inventory-Misstatements	<p>Design reporting templates for the stores personnel.</p> <p>Introduce monthly inventory counts and reconciliations.</p>
Finance leases - Incomplete and inaccurate finance lease disclosure	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
PPE-Movable (Lease assets) assets not individually identifiable in the assets	<p>Double the number of the assets verification team to allow good coverage during verification and reducing errors.</p>
Expenditure - Debts written off incorrectly classified as disaster relief fund expenditure	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Expenditure-Travel and subsistence	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>

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Expenditure - Incorrect classification of the expenses	<p>Review of the quarterly and annual AFS by the Audit Committee.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review by the CFO of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p> <p>Review of the case ware template by the audit committee, internal audit, CFO, external service provider for GRAP compliance before being used to prepare the AFS.</p>
Other disclosure-Differences between the Audit fees expense paid as per the auditor's billing report and the amount that was recognized in the accounting records.	<p>Submission of the AFS for review by internal audit, Audit Committee, CFO and the external service provider at least a week before 31 August 2019.</p> <p>Review of the captured transactions by managers of the affected transactions prior to posting of transaction.</p> <p>Monthly review of transactions in the general ledger for completeness using trend analysis, year-to-year comparisons and physical invoices and claims.</p>
Payables from Exchange transactions - Suspense accounts not investigated and cleared	Dedicate a more experienced personnel to review and clear the suspense account on a monthly basis.
SCM - No criteria for procuring goods and services from the panel of contractors	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
Supply Chain Management-Awards not economical.	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Deviation was not recorded, was not reported to the next council/ board meeting; and not disclosed in the financials	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>

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Provision for landfill site incorrectly valued	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Receivables not disclosed at year end	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Consumer debtors-Impairment of Consumer Debtors	<p>Review of the case ware template by the audit committee, internal audit, CFO, external service provider for GRAP compliance before being used to prepare the AFS.</p>
Receivables from exchange transactions -Ba-Phalaborwa receivable not considered/assessed for impairment	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Intermunicipal account-Differences noted between the Ba-Phalaborwa and Mopani loan account opening balance on the face of the AFS	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Adjustments to comparative amounts not disclosed in the notes	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Grants Expenditure -Duplicated payment	<p>More attention will be paid when processing claims.</p>
Revenue from exchange transactions-Accounts not billed	<p>Introduction of more skilled personnel in the revenue section dedicated to water transactions and balances with local municipalities.</p> <p>Prompt appointment of the service provider to assist with the water transactions.</p>
VAT-VAT control accounts not cleared against the main control account	<p>Dedicate a competent person to manage and reconcile the VAT control accounts on a monthly basis.</p> <p>Training of expenditure management personnel on VAT accounting and reporting.</p>
Unspent grants - Unspent grants not reduced with money deducted from equitable share by National Treasury for denied roll over requests	<p>Review of the grants accounts in the general ledger by the AFS preparation team and the CFO.</p>

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Cash flow statement-Cash flow differences	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Commitments-Difference between the register and AFS and inclusion of finance lease obligation in commitments	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Commitments-Differences between the commitment amount as per the commitment register and the re-calculated amount	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Commitments-Commitment register not complete	Preparation of WIP registers by both SCM and PMU for reconciliation purposes before preparation of AFS.
Commitments-Differences between the contract amount as per the commitment register and the contract.	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Commitments-Projects cost included in the commitment register not belonging to the Municipality	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Employee provisions-Adjustments to comparative amounts not disclosed in the notes and casting errors	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Employee provisions - GRAP 25 disclosures not complete	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Employee cost-Differences between the General Ledger and the payroll reports	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>



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Non-compliance with MFMA other compulsory disclosure requirements	Monthly review of transactions in the general ledger for completeness using trend analysis, year-to-year comparisons and physical invoices and claims.
Notes to the Annual Financial Statements – Going concern	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
High level review of 2017-18 AFS	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Irregular and Fruitless and Wasteful Expenditure- Misstatements	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Inconsistencies between the approved budget and the statement of comparison of budget and actual amounts	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Expenditure incurred to repair and maintain property, plant and equipment not disclosed separately	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
PPE - Incomplete GRAP 17 disclosures	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Expenditure-Capital expenses not capitalized	<p>The repairs and maintenance votes were not adequately reviewed</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p> <p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p>

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	<p>Monthly review of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
PPE-No supporting Documents for capitalised assets	Introduction of an electronic back-up filling for records keeping
PPE-Inadequate supporting documents for borehole development additions and completed.	Introduction of an electronic back-up filling for records keeping
Expenditure incorrectly recognised	<p>The repairs and maintenance votes were not adequately reviewed</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p> <p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p> <p>Monthly review of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Expenditure-Material amounts not disclosed separately	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Expenditure-Incorrect classification of information technology services	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>

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	<p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p> <p>Monthly review of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Unauthorised expenditure understated	Introduction of the quarterly budget Lekgotla to closely monitor budget spending.
Expenditure - Prior period expenditure recorded in the current year, expenditure accounted for on a cash basis	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p> <p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p> <p>Monthly review of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Expenditure - Invoices recorded are inclusive of vat and repairs and maintenance items were incorrectly recognized as bulk purchases	<p>Segregation of functions in terms of capturing of transactions and posting thereof in the general ledger.</p> <p>Monthly review of transactions in the general ledger for correct allocation and classification.</p> <p>Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.</p>
Expenditure - Poor internal controls over the recording of the invoices	Dedicate a person responsible for administration and capturing of invoices in the general ledger.
Expenditure-Invoices not paid within 30 days	Introduction of an invoice tracking system to detect invoices by dates when payments are done
Expenditure-No supporting documents for the amounts recorded as bulk purchases	<p>Inadequate internal controls for accounting for bulk purchases.</p> <p>Lack of electronic back-up filling for records keeping</p>
Grants Expenditure - WSIG funds spent on projects not on the activity plan	Introduction of the quarterly budget Lekgotla to closely monitor budget spending.

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1.Greater Giyani Inter-municipal payable discrepancies	<p>Differences between the municipality and Greater Giyani were not investigated and cleared prior to the finalization of the financial statements.</p> <p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Addition of a skilled personnel on the water transactions and balances with local municipalities.</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Payables from exchange transactions - Differences noted between the AFS and Listing	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Payables-Differences between the listing and the supporting documents, and control deficiencies	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>

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Payables from exchange transactions-Differences noted between MDM and GGM opening and closing inter municipal accounts as per Annual Financial Statement	<p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Addition of a skilled personnel on the water transactions and balances with local municipalities.</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Payables from exchange transactions-Differences noted between the retention register and supporting documents	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
The procurement of services split into items of lesser value	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - CIDB the winning contractor's grading is not suitable for the value of the contract.	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM – Bid adjudication committee not properly constituted	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Contract management deficiencies	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>

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SCM - Suppliers tax matters not cleared by South African Revenue Service	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Deviations not sufficiently justified	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Suppliers' additional information not provided from the other municipality this was a REG 32 appointment.	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Limitation of scope	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - Appointment of the suppliers through Regulation 32.	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM - The bid adjudication committee was not constituted in accordance with the auditee's SCM policy and SCM regulation	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>
SCM-Tax clearance not provided and non-compliant supplier	<p>Review and monitoring of compliance on SCM activities with SCM laws and regulations by the CFO and the Accounting Officer.</p> <p>Introduction of Internal audit on bids finalised prior to appointments.</p>

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Consumer debtors misstatements.	<p>Differences between the municipality and Greater Giyani were not investigated and cleared prior to the finalization of the financial statements.</p> <p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Additional skilled personnel on water transactions and balances with local municipalities.</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Receivables-Debts raised for doubtful receivables	<p>Differences between the municipality and Greater Giyani were not investigated and cleared prior to the finalization of the financial statements.</p> <p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Additional skilled personnel on water transactions and balances with local municipalities.</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>

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<p>Consumer debtors-Note 9-Impairment deducted on the ageing does not agree with the allowance for impairment</p>	<p>Differences between the municipality and Greater Giyani were not investigated and cleared prior to the finalization of the financial statements.</p> <p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Additional skilled personnel on water transactions and balances with local municipalities.</p> <p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
<p>Related parties-No related party disclosure in the financial statements</p>	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
<p>Accumulated Surplus-Differences between the general ledger and annual financial statements</p>	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
<p>Prior period errors - Presentation of the Prior Period errors</p>	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>



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Year end Journals-Year-end journals and control deficiencies	Review and approval of journals by the CFO before capturing in the general ledger. And review of the general ledger monthly to detect journals processed in the general ledger without approval.
Comparative figures-Difference between correction of error note and movement in the comparatives	<p>Introduction of the preparation of quarterly AFS to timeously detect the non-compliant disclosures</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee</p> <p>Review of the AFS and supporting schedules and working papers thereof by internal audit and the audit committee.</p>
Revenue and consumer debtors: Shortcomings identified from the audit of revenue and receivables at local municipalities	<p>Prompt appointment of the service provider to assist with water transactions reconciliations.</p> <p>Additional skilled personnel on water transactions and balances with local municipalities.</p>
Grants Expenditure - WSIG funds spent on projects not on the activity plan	Introduction of the quarterly budget Lekgotla to closely monitor budget spending.
T6.2.2	

## Report of the auditor-general to Limpopo Provincial Legislature and Council of the Mopani District Municipality

### Report on the audit of the financial statements

#### Adverse opinion

1. I have audited the financial statements of the Mopani District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of General 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 the Division of Revenue Act of South Africa, 2017 (Act No.3 of 2017) (DoRA).

#### Basis for adverse opinion

##### Property, plant and equipment

3. The municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, Plant and Equipment*. Additions to property, plant and equipment were incorrectly recognised as expenditure. Consequently, property, plant and equipment stated at R5 169 974 905 in note 3 to the financial statements is understated by R18 997 041 and repairs and maintenance is overstated by the same amount. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.
4. Included in work in progress amounting to R1 078 127 732 in note 3 to the financial statements is completed infrastructure assets amounting to R40 464 254. Consequently, work in progress is overstated by R40 464 254. Additionally, there is a resultant impact on the surplus for the period.
5. I was unable to verify the existence of infrastructure assets amounting to R47 528 928. I was unable to verify the assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets stated at R3 954 994 629 in note 3 to the financial statements.
6. I have identified significant deficiencies in supporting documents provided for new boreholes for the current and prior year. I have identified payments made for boreholes without any evidence of work done. Some of the supporting documents are incomplete. I was unable to satisfy myself that expenditure was incurred on genuine borehole developments commissioned by the municipality. Consequently, I was unable to confirm whether any adjustments were

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necessary to infrastructure assets stated at R3 954 994 629 (2016-2017: R4 079 386 344) in note 3 to the financial statements.

7. The municipality did not disclose property, plant and equipment in terms of GRAP 17, *Property, plant and equipment*. The following disclosures were not included in note 3 to the financial statements:
  - Work in progress per class of assets
  - The carrying value of property, plant and equipment that is taking significantly longer to complete than expected, including reasons for any delays.
  - The carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s).
  - Expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements.

## Receivables

8. The gross consumer debtors of R747 019 423 (2016-2017: R774 670 965) disclosed in note 9 to the financial statements exclude Ba-Phalaborwa municipality's debtors for basic water and basic sewerage amounting to R261 187 992. Consequently, the gross balance of consumer debtors is understated by R261 187 992. There is a consequential impact on the allowance for impairment of consumer debtors, surplus for the period and accumulated surplus.
9. The comparative figure for consumer debtors per local municipality disclosed in note 9 stated at R649 857 605 differs with the total consumer debtors gross balances of R774 670 965 as per the same note. Consequently, the consumer debtors per local municipality comparative figure is understated by R124 813 360.
10. The allowance for impairment of R606 094 199 (2016-2017: R556 516 413) and R65 903 611 (2016-2017: R52 429 985) for water and sewerage respectively as per note 9 differ with the amount of R588 318 738 (2016-2017: R529 587 083) and R85 679 075 (2016-2017: R80 641 641) as per the age analysis in the same note. The provisional amount is misclassified between water and sewerage in the age analysis.
11. One of the five local municipalities in its capacity as the water service provider for the municipality did not have adequate controls in place for allocating payments received from customers for water resulting in other services reflecting credit balances, whilst water had outstanding balances. As a result, water debtors are overstated. I was not able to determine the full extent of the overstatement of consumer debtors stated at R747 019 423 (2016-2017: R774 670 965) in note 9 as it was impracticable to do so. There is a consequential impact on the allowance for impairment of consumer debtors, surplus for the period and accumulated surplus.
12. I have identified a difference of R10 019 169 between consumer debtors as per the Glyani Local Municipality's age analysis of R132 864 931 and the amount as per the municipality's financial statements of R122 845 762. Consequently, consumer debtors disclosed in note 9 to the financial statements are understated by R10 019 169.

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13. Included in receivables from exchange transactions disclosed in note 7 to the financial statements is a National Treasury receivable of R11 364 593 (2016-2017: R11 364 593). National Treasury has not committed to reimburse the municipality for the excess expenditure on the Municipal Infrastructure Grant (MIG) in the prior year. The municipality does not have a right to the receivable. Consequently, receivables from exchange transactions stated at R228 041 484 (2016-2017: R194 202 462) is overstated by R11 364 593.

## Revenue

14. Included in sale of water revenue of R165 531 593 disclosed in note 15 to the financial statements, is sewerage and sanitation charges of R13 914 695. Consequently, sale of water is overstated by R13 914 695 and sewerage and sanitation charges are understated by the same amount.
15. Included in revenue from conditional grants of R481 695 081 in note 16 to the financial statements is revenue recognised for expenditure incurred not in accordance with the conditions of the Water Services Infrastructure Grant amounting to R37 097 186. Consequently, revenue from conditional grants is overstated by R37 097 186. There is a resultant impact on the surplus for the period and unauthorised expenditure.

## Value Added Taxation (VAT)

16. The municipality did not reconcile the year-end VAT receivable balance amounting to R104 728 852 (2016-2017: R85 888 375) to the balance as per South African Revenue Services's records. The municipality did not implement internal control systems to reconcile all the VAT control accounts. I have identified several control accounts that contained unexplained balances. Several journals were processed to clear amounts in control accounts that have accumulated in prior periods due to the lack of regular reconciliation of the VAT accounts. I identified a difference of R75 177 657 between the amount disclosed in note 8 to the financial statements and my recalculations. Consequently, VAT receivable is overstated by R75 177 657. I was unable to determine the effect of the misstatement on other account balances and classes of transactions as it was impracticable to do so.
17. The municipality did not account for VAT in accordance with the accrual basis of accounting in the financial statements. The VAT balance was not adjusted for the effect of VAT on accounts payable and consumer debtors. I was unable to determine the full extent of the misstatement due to the status of the accounting records. Consequently, I was unable to determine if further adjustments were required to VAT receivable stated at R104 728 852 (2016-2017: R85 888 375).

## Payables from exchange transactions

18. Included in trade payables of R354 290 578 (2016-2017: R406 395 314) in note 13 to the financial statements, are sundry creditors amounting to R344 137 154. I was unable to obtain sufficient appropriate audit evidence for sundry creditors due to the status of the accounting records. Management did not implement controls to recognise and reconcile sundry creditors in the accounting system. In addition, I could not obtain satisfactory explanations for journals amounting to R18 714 902. I have also identified a difference of R227 077 178 between the general ledger and the creditors listing. I could not confirm the trade payables by alternative means. Consequently, I was unable to determine whether any further adjustments were

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necessary to trade payables stated at R354 290 578 (2016-2017: R408 395 314) in the financial statements.

19. The municipality restated the comparative amount of payables from exchange transaction by R138 409 979 as described in note 30 to the financial statements, the restatement was made to rectify previous year misstatements. I have identified unexplained adjustments amounting to R137 894 256 that could not be justified by the municipality. The municipality did not maintain an adequate system of internal controls over its record keeping and recording of payables. I could not confirm the amount by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the comparative amount for payables from exchange transactions stated at R1 522 846 360.
20. I have identified a difference of R51 392 496 between the restated balance for payables from exchange transactions of R1 471 453 864 as per note 30 to the financial statements and the comparative amount of R1 522 846 360 as per the statement of financial position. The restated balance of R1 471 453 864 disclosed in note 30 to the financial statements is understated by R51 392 496.
21. I have identified a difference of R6 660 537 between the retention amount of R57 473 945 (2016-2017: R45 272 129) as per note 13 to the financial statements and the balance of R64 134 482 as per the retentions listing. I have identified a similar misstatement in my previous audit. I have further identified differences amounting to R12 080 927 between the retentions listing and the supporting documents. Consequently, retentions are understated by R18 741 464. I was not able to determine the impact of this misstatement on the other account balances as it was impracticable to do so.
22. During 2017, I identified differences amounting to R15 004 620 between the amount disclosed of R44 835 083 for leave accrual in note 13 to the financial statements and my recalculations. Consequently, leave accrual was understated by R15 004 620. Additionally, there was a resultant impact on the surplus for the period. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the leave accrual for the current period.

## Expenditure

23. Included in bulk purchases of R288 788 797 is repairs and maintenance and VAT amounting to R74 899 615 and R20 296 640 respectively. Consequently, bulk purchases disclosed in note 23 to the financial statements is overstated by R95 196 255. There is a resultant impact on repairs and maintenance, VAT receivable and surplus for the period.
24. I was unable to obtain sufficient appropriate audit evidence for bulk purchases amounting to R58 988 969 as management did not provide supporting documentation for the recorded amount. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to bulk purchases stated at R288 788 797 (2016-2017: R313 206 196).
25. I have identified expenditure amounting R70 528 762 that was incorrectly accounted for in the current year. Consequently, expenditure is overstated by R70 528 762. There is a resultant impact on surplus for the period and accumulated surplus.

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26. GRAP 1, *Presentation of Financial Statements* define expenses as decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners. The municipality is implementing the project on behalf of the Department of Water and Sanitation. Included in other expenses of R83 195 526 as per note 25 to the financial statements is expenditure amounting to R13 167 364 incurred by the municipality as an implementing agent for the department, and refundable by the department. general expenses are therefore overstated by R13 167 364 and surplus for the period is understated by the same amount.
27. The municipality restated the general expenses comparative figure by R172 327 962 as described in note 30 to the financial statements, the restatement was made to rectify previous year misstatements. I have identified adjustments amounting to R154 710 383 that were incorrectly processed to general expenses. Consequently, the comparative figure for general expenses is overstated by R154 710 383.
28. GRAP 1, *Presentation of Financial Statements* par.36 requires that each material class of similar items be presented separately in the financial statements, and that items of a dissimilar nature or function be presented separately unless they are immaterial. Included in other expenses of R83 195 526 disclosed in note 25 to the financial statements is expenditure for VIP toilets amounting to R9 878 105 and interest incurred on outstanding creditors accounts amounting to R11 885 207. Included in information technology services of R16 837 525 disclosed in note 24, is expenditure amounting to R15 367 749 for the VAT recovery consultants. Furthermore, included in other contractors as per note 24 is security services amounting to R25 395 845. The municipality did not classify expenditure as required by GRAP 1, *Presentation of Financial Statements*.
29. During 2017, the municipality did not account for all expenditure transactions that occurred before 30 June 2017 amounting to R95 093 922. Consequently, expenditure was understated by R95 093 922. Additionally, there was a resultant impact on the trade payables from exchange transactions. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of expenditure for the current period.
30. The municipality restated the comparative figure for bulk purchases from R298 587 131 to R313 206 196 as disclosed in note 30 to the financial statements. I was unable to obtain sufficient appropriate evidence for the restatement and could not confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the bulk purchases comparative figure stated at R313 206 196 in the financial statements.
31. During 2017, I was unable to obtain sufficient appropriate audit evidence that expenditure had been properly accounted for, as the municipality did not maintain adequate controls over its record keeping. I was unable to confirm expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to expenditure stated at R748 360 699 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of expenditure for the current period.

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## Employee costs

32. GRAP 1, *Presentation of Financial Statements*, requires that the presentation and classification of items in the financial statements be retained from one period to the other. Included in employee costs of R376 318 320 disclosed in note 19 to the financial statements is transport allowance (bus coupons) amounting to R17 665 424 (2016-2017: R15 293 450) which should have been accounted for as travel and subsistence. In the previous year travel and subsistence was disclosed as part of general expenses. The municipality has not retained presentation and classification of travel and subsistence from the prior year. The amount does not qualify to be classified as employee costs. Consequently, employee costs is overstated by R17 665 424 (2016-2017: R15 293 450) and expenditure is understated by the same amount.
33. I identified a difference of R31 589 721 between employee costs of R376 318 320 disclosed in note 19 to the financial statements and the payroll records. Management did not implement internal control measures to reconcile the payroll records to the general ledger. Consequently, employee costs is overstated by R31 589 721. There is a resultant impact on the surplus for the period.
34. The municipality restated the comparative figure for basic salary from R167 863 382 as previously reported to R173 844 736 in note 19 to the financial statements. I was unable to obtain sufficient appropriate evidence for the restatement and could not confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the basic salary comparative figure of R173 844 736 as disclosed in note 19 to the financial statements.
35. During 2017, I was unable to obtain sufficient appropriate audit evidence that overtime claims had been properly accounted for, as the municipality did not maintain adequate controls over its record keeping. I was unable to confirm this expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to employee costs stated at R318 846 836 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the employee costs for the current period.

## Employee benefit liabilities

36. The municipality did not account for the restatement of the comparative figure for long term service awards by R44 835 143 in accordance with GRAP 3, *Accounting Policies, Changes in Accounting Estimates and Errors*. The nature of the prior period error and the amount of the correction for each financial statement line items affected is not disclosed in the prior period error note 30.
37. The municipality did not disclose the post-retirement medical aid benefits liability and the long service awards liability disclosed in note 12 to the financial statements in line with the requirements of GRAP 25, *Employee Benefits*. The following disclosures were omitted:
- The general description on the type of the plan was not disclosed on the financial statements
  - The reconciliation of opening and closing accrued liabilities

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- The expenditure items for employee related provisions expensed in the statement of financial performance were not disclosed i.e actuarial gains or loss, current service costs and interest paid
- The assumptions made by the actuaries were not disclosed in the financial statements
- The sensitivity analysis was not included in the financial statements
- The liabilities and experience adjustment for current and previous four annual periods was not disclosed
- The best estimate of benefits payments expected in the next annual periods was only disclosed for the district municipality, the amounts for the local municipalities (Water and sewer employees) was not disclosed.

In addition, the liability amount on the past and future changes in the accrued liability disclosure of R15 566 721 differ to the liability amount of R80 502 509 as per the same note 12.

The disclosures in respect of multi-employer plans as required by *GRAP 25, Employee Benefits* were omitted in the financial statements for pension fund plans into which the municipality makes contributions for pension related post retirement benefits for employees.

## Commitments

38. An amount of R11 589 010 disclosed as operational commitments in note 28 is duplicated in the commitment amount of R659 867 938 as it is already accounted for in the capital commitments of R648 278 973. In addition, included in commitments is an amount R9 388 445 in respect of a finance lease where a liability is already accounted for in the statement of financial position and a separate disclosure was made as per GRAP 13, *Leases*. I also identified a difference of R44 796 971 between the amounts as per the commitments register and my recalculation. Consequently commitments stated at R659 867 938 (2016-2017: R384 077 299) are overstated by R65 774 435.
39. The municipality incorrectly disclosed a commitment on projects for which it acts as an implementing agent amounting to R70 548 280. Consequently, commitments stated at R659 867 938 (2016-2017: R384 077 299) are overstated by R70 548 280.
40. I identified a number of contracts which were still effective as at 30 June 2018 that were not disclosed as commitments in the financial statements. Management did not implement adequate internal controls for identifying and recording capital commitments. I was not able to determine the full extent of the understatement of commitments stated at R659 867 938 (2016-2017: R384 077 299) as it was impracticable to do so.
41. During 2017, the municipality incorrectly disclosed commitments amounting to R20 454 063 for contracts which were completed as at 30 June 2017. Consequently, commitments was overstated by R20 454 063. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the commitments for the current period.

## Statement of comparison of budget and actual amounts

42. I have noted inconsistencies and material differences between budget amounts as per the statement of comparison of budget and actual amounts and the budget approved by council



# Chapter 6

contrary to the requirements of GRAP 24, *Budget Information*. The statement is not easily comparable to the budget. Inconsistencies also exist between actual amounts and descriptions as per the financial statements and the budget statement. The inconsistencies impair the usability of the statement of budget and actual amounts by the users of the financial statements. In addition, there is no indication in the statement as to how the approved capital expenditure of R914 278 000 was spent. An explanation of material differences between the budget and actual amounts is not included in a note to the financial statements.

## Cash flow statement

43. The municipality did not prepare the cash flow statement in accordance with GRAP 2, *Cash Flow Statements*. I was unable to reconcile amounts reflected in the cash flow statement to the underlying records. The cash flow statement is not a true reflection of cash flow of from operating and investing activities.

## Statement of changes in net assets

44. I have identified an amount of R121 896 180 reflected on the statement of changes in net assets as net income/(loss) recognised directly in net assets which reduces the surplus for the period to R135 381 780. I was unable to obtain sufficient appropriate audit evidence for the net income/(loss) recognised directly in net assets. In addition, the restated accumulated surplus balance as per the statement of changes in net assets differ to comparative amount as per the statement of financial position. Consequently, I was unable to determine whether any further adjustments were necessary to accumulated surplus stated at R3 890 530 823 (2016-2017: R3 755 149 039).

## Contingent liabilities

45. I was unable to obtain sufficient appropriate audit evidence for contingent liabilities stated at R283 727 576 in note 29 to the financial statements. I have identified inconsistencies between the disclosure note and the underlying records. I was unable to audit the amount by alternative means. Consequently, I was unable to determine whether any adjustments were required to contingent liabilities stated at R283 727 576.
46. During 2017, I was unable to obtain sufficient appropriate audit evidence that contingent liabilities have been properly accounted for, as the municipality did not maintain accurate and complete records of all its contingent liabilities. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustment to contingent liability stated at R321 316 569 was necessary. My audit opinion on the financial statements for the period ended 30 June 2017 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of contingent liabilities for the current period.

## Material losses

47. The municipality did not have adequate systems in place to determine water distribution losses. Consequently, I was unable to determine whether any further adjustments were necessary to the distribution losses for the current and prior year disclosed in note 35 to the financial statements.

# Chapter 6

## GRAP 104 disclosure

48. The municipality did not disclose the quantitative and qualitative disclosures in respect of financial instruments in the financial statements as required by GRAP 104, *Financial Instruments* for the current and previous year.

## Unauthorised expenditure

49. The municipality incorrectly calculated unauthorised expenditure in the current year. The municipality did not calculate the overspending per main vote. Consequently, unauthorised expenditure of R154 239 337 disclosed in note 32 is understated by R47 538 879.

## Irregular expenditure

50. The municipality did not include the required information on irregular expenditure in the notes to the annual financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of supply chain management (SCM) legislation that were not included in irregular expenditure of R196 997 397 as disclosed in note 34 to the financial statements. Adequate systems and controls were not in place to ensure that all irregular expenditure was accounted for. I was not able to determine the full extent of the understatement of irregular expenditure in the current and previous year as it was impracticable to do so.

## Fruitless and wasteful expenditure

51. The municipality did not include the required information on fruitless expenditure in the notes to the annual financial statements, as required by section 125(2)(d) of the MFMA. The municipality incurred fruitless and wasteful expenditure amounting to R17 885 948. The details of the fruitless and wasteful expenditure were not included in note 33 to the financial statements.

## Related parties

52. In terms of GRAP 20, *Related Parties*, if a reporting entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. The municipality did not disclose details of some of the members of key management personnel as required by GRAP 20, *Related Parties*. Furthermore, the municipality did not disclose related party relationships in the financial statements.

## Going concern

53. I have identified differences between the municipality's going concern disclosure note 31 and the statement of financial position. The net current liability of the municipality as per note 31 to the financial statements, is stated at R3 890 530 823 instead of R1 178 844 045 as per the statement of financial position. The municipality incorrectly stated that the total liabilities exceeded total assets whilst total assets exceeded total liabilities. Consequently, the net current liability as per note 31 is overstated by R2 711 686 778.

# Chapter 6

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## Pension and medical contributions

54. Section 125(1)(c) of the MFMA requires the municipality to disclose in the notes to the financial statements the total amounts paid in pension and medical aid contributions, and whether any amounts were outstanding as at the end of the financial year. I have identified a difference of R38 795 283 between the medical and pension amounts paid and the amount as per the underlying records. Consequently, the amount paid as disclosed in note 35 to the financial statement is understated by R38 795 283.

## Context for the opinion

55. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
56. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
57. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

## Emphasis of matter

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

## Restatement of corresponding figures

59. As disclosed in note 30 to the financial statements, some corresponding figures for 30 June 2017 have been restated as a result of errors discovered during 2018 in the financial statements of the municipality at, and for the year ended, 30 June 2017.

## Material underspending of the conditional grants

60. As disclosed in note 11 to the financial statements, the municipality has materially underspent the budget on conditional grants to the amount of R65 441 472.

## Other matter

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

## Unaudited supplementary schedules

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

## **Responsibilities of the accounting officer for the financial statements**

63. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of MFMA and the DeRA 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.
64. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

65. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
66. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

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

### **Introduction and scope**

67. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
68. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
69. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

## Chapter 6

Development priorities	Pages in the annual performance report
KPA 2: Basic service delivery	x – x
KPA 3: Local economic development	x – x

70. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
71. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

### KPA 2 – Basic service delivery

#### Various indicators

72. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report of the indicators listed below. This was due to a lack of technical indicator descriptions, proper performance management systems and processes with formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm that the reported achievements of these indicators were reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements.

Indicator description	Target	Reported achievement
Percentage of assessment activities completed related to the implementation of infrastructure maintenance and replacement plan year to date (ytd)	100%	100%
Development of Water Services Infrastructure Development Plan	1	1
Number of activities completed towards a functional water infrastructure ytd	5	100%
Approved district water master management plan (water services)	1	1
Percentage of progress in the development municipal infrastructure investment plan ytd	100%	1

## Chapter 6

Indicator description	Target	Reported achievement
Percentage contractors with progress and performance that conform to the contract requirements	100%	100%
Percentage of resolutions implemented related to the contractors meetings	100%	100%
Percentage of contractors who are on schedule (with their gantt chart)	100%	100%
Percentage of contractors who are behind schedule	0%	10%
Number of water projects towards the provision of water to the district	13	15
Percentage of contractors who are deficient and needs intervention	0%	12%
Number of projects supported on green economy activities	8	8
Percentage of food control and safety resolutions taken and implemented	100%	100%

73. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
Development of the disaster management annual report and submission to POMC and council before end of September	1	0
Approved district water master management plan (MM's office)	1	0

74. The municipality did not have an adequate record keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements

# Chapter 6

by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below.

Indicator description	Reported achievement	Audited value
Number of formal health and hygiene education/workshops conducted	6	115
Number of accommodation establishments inspected	185	82
Number of VIP ablution facilities for provision of sanitation in the District	800	150
Percentage of complaints investigated on littering, illegal dumping and burning of waste	100%	33%

75. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the following targets as reported in the annual performance report. This was due to limitations placed on the scope of my work as no corroborating evidence was provided. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

Indicator description	Target	Reported
Percentage of contractors who are behind schedule	0%	10%
Percentage of contractors who are deficient and need intervention	0%	12%
Percentage of progress in the development municipal infrastructure investment plan ytd	100%	1
Number of RBIG reports submitted to DWWS YTD	12	10
Number of VIP ablution facilities for provision of sanitation in the district ytd (M196)	530	0
Report on the improved level of services of water supply to communities	4	3

## Number of VIP ablution facilities for provision of sanitation in the district

76. The target approved as per service delivery and budget implementation plan (SDBIP) is 530 however target as per the annual performance report is 265. The target was changed without the necessary approval.

## Development of the integrated waste management plan and approval by council

77. The target approved as per SDBIP is 100%, however the target as per the annual performance report is 1, the unit of measure as per the SDBIP is a percentage however the unit of measure as per the APR is a number. The target was changed without the necessary approval.

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## Approved district water master management plan

78. The planned target and indicator was an approved District Water Master Management Plan but the reported achievements referred to was a draft master plan.

## Development of water services infrastructure development plan

79. The planned target was number of activities achieved in the development of water services infrastructure development plan but the reported achievements referred to was a draft master plan.

## Number of activities completed towards a functional water infrastructure ytd

80. The planned indicator and target was the number of activities achieved but the reported achievements referred to was a percentage.

## Various indicators

81. The source information, evidence and method of calculation for achieving the planned indicators was not clearly defined for the indicators below:

Indicator description	Target
Number of accommodation establishments inspected	168
Development of the disaster management annual report and submission to PDMC and council before end of September	1

## To accelerate sustainable infrastructure and maintenance in all sectors of development

82. The strategic objective approved in the integrated development plan and service delivery and budget implementation plan was not included in the annual performance report.

## KPA 3 – Local economic development

### Various indicators

83. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
To create a conducive environment to support key economic sectors	12	6
Coordination of (and reporting on) EPWP	12	14
Development of the status quo of mining in the district	5	4



# Chapter 6

## Number of EPWP beneficiaries employed

84. The reported achievement of 341 for number of EPWP beneficiaries employed is not reliable as the municipality did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of targets. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances while in other cases the supporting evidence provided did not agree to the reported achievement. Based on the supporting evidence that was provided, the achievement was 162, but I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

## Various indicators

85. The source information, evidence and method of calculation for achieving the planned indicators was not clearly defined for the indicators below:

Indicator description	Target
Training of SMMEs within the district	5
Promote SMME development initiatives year to date (ytd)	9
Development of the status quo of mining in the district	4

## Coordination of (and reporting on) EPWP

86. The target approved as per SDBIP is one however target as per the annual performance report is four. The target was changed without the necessary approval.

## Other matter

87. I draw attention to the matter below.

## Achievement of planned targets

88. Refer to the annual performance report on pages ... to ... for information on the achievement of 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 72 to 86 of this report.

## Report on the audit of compliance with legislation

### Introduction and scope

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

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

## Strategic planning and performance management

91. The performance management system and related controls were inadequate as it did not adequately describe how the performance monitoring and measurement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

## Annual financial statements, annual performance report and annual report

92. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not corrected which resulted in the financial statements receiving an adverse audit opinion.
93. The council failed to adopt an oversight report containing the council's comments on the annual report within the prescribed timelines, as required by section 129(1) of the MFMA.
94. The local community was not invited to submit representations in connection with the 2016-17 annual report, as required by section 127(5)(a) of the MFMA.

## Assets management

95. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

## Conditional grants

96. The Water Services Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the DoRA.
97. Performance in respect of programmes funded by the Water Services Infrastructure Grant was not evaluated, as required by section 12(5) of the DoRA.

## Procurement and contract management

98. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

## Human resource management

99. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 5 of 2000) (MSA).
100. Two of the eight senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.
101. A senior manager failed to disclose financial interests within 60 days from date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.

## Consequence management

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

# Chapter 6

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

## Expenditure management

104. Money owed by the municipality was not always paid within 30 days as required by section 65(2)(e) of the MFMA.
105. An adequate management, accounting and information system was not in place which recognised expenditure and accounted for creditors, as required by section 65(2)(b) of the MFMA.
106. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM laws and regulations.
107. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R17 885 948, as disclosed in note 33 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by penalties due to non-payment of bulk water purchases from the Department of Water and Sanitation.
108. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending in various votes.

## Revenue management

109. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

## Other information

110. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
111. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
112. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes development priorities presented in the annual

# Chapter 6

performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## Internal control deficiencies

114. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in adverse opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
115. The accounting officer and management did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with laws and regulations. Leadership did not exercise effective monitoring over the implementation of the audit action plan resulting in recurring prior year issues.
116. Consequence management was not implemented to deter non-performance and promote clean administration. The control environment remains concerning.
117. The basic accounting principles of daily and monthly accounting and reconciling of transactions have not been adequately implemented and monitored.
118. The financial statements and the annual performance report are not reviewed for accuracy and completeness by the accounting officer.
119. Internal controls for monitoring compliance with laws and regulations are ineffective as they do not detect and prevent instances of non-compliance with applicable laws and regulations.
120. The internal control monitoring mechanisms of the municipality are not functioning optimally, as many control weaknesses are only discovered during the audit of the financial statements and performance information.

## Other reports

121. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
122. The Special Investigating Unit is investigating the procurement of goods and services that was in contravention of supply chain management laws and regulations. The investigation was still in progress at year-end.

# Chapter 6

Auditor-General  
Polokwane  
30 November 2018



## COMMENTS ON AUDITOR-GENERAL'S OPINION 2017/18:

The Audit opinion was Adverse

T6.2.4

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 93 that these data sets have been returned according to the reporting requirements.

MOPANI DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDIG 30 JUNE 2017

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these financial statements, which are set out on pages 1- in terms of section126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of councilors as disclosed in note 22 of these financial statements are within the upper limits framework envisaged in section 219 of the Constitution read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

I have complied with the disclosure requirements in terms of Section122 to 126 of the Municipal Finance Management Act

# Chapter 6

Q. KGATLA  
CHIEFFINANCIAL OFFICER

T6.2.5

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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> ".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

# APPENDICES

<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.



# APPENDICES

<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## APPENDICES

### APPENDIX A—COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
No	Council Members	Full Time/Part Time	Committee Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage apologies for non-attendance
		FT/PT			%	%
1	Cllr CN Rakgoale	FT	MAYCO	PR	100	0
2	Cllr WD Sedibeng	FT	Council	PR	100	0
3	Cllr MN Maswanganyi	FT	Council	PR	100	0
4	Cllr MO Maswanganyi	PT	MAYCO	PR	100	0
5	Cllr MH Sefufi	PT	MAYCO	PR	90	10
6	Cllr ML Mokgobi	PT	MAYCO	PR	100	0
7	Cllr ML Maloko	PT	MAYCO	PR	90	10
8	Cllr EJ Mathonsi	FT	MAYCO	PR	100	0
9	Cllr MC Mohale	FT	MAYCO	PR	100	0
10	Cllr GA Maluleke	PT	Chair: Governance & Shared Services Ethics	PR	100	0
11	Cllr KJ Malepe	PT	Chair: Sports, Arts & Culture	PR	100	0
12	Cllr FM Moroatshehla	PT	Chair: Community Development	PR	80	20
13	Cllr PT Malatji	PT	Chair: Water Services	PR	90	10
14	Cllr GJ Mashele	PT	Chair: Finance	PR	70	30
15	Cllr MD Maake	PT	Committee of Chairs Chair: Ethics	PR	100	0
16	Cllr MR Nyakane	PT	MPAC	PR	90	10
17	Cllr MA Helm	PT	Governance & shared services	PR	80	20
18	Cllr DG Mushwana	PT	MPAC	PR	50	50
19	Cllr MR Chauke	PT	Community Development	PR	80	20
20	Cllr CM Ramathoka	PT	Finance & Agriculture Ethics	PR	90	10
21	Cllr SJ Nkuna	PT	Chair: Roads & Transport	PR	100	0
22	Cllr GH Modjadji	PT	Chair: MPAC	Local Rep	70	30
23	Cllr MR Maake	PT	Governance & Shared Services	Local Rep	50	50
24	Cllr MF Manyama	PT	Chair: Agriculture	Local Rep	90	10
25	Cllr MB Mathedimosa	PT	Community Development	Local Rep	90	10



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## APPENDIX B—COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purposes of committees	
Municipal Committee	Purpose of Committee
Finance	Deal with financial related matters.
Infrastructure	Deal with infrastructure development & maintenance.
Community services	Deal with health services, disaster and fire services.
Governance and Shared Services	Deal with human resource matters, administration, legal and IT matters.
Sport, Arts and Culture	Coordinate anything related to sport, arts and culture in the district.
Roads and Transport	Dealing with roads and transport matters in the district
Planning & Development	Dealing with planning and development in the district.
Agriculture and environment	Dealing with environmental and agricultural matters.
Water and sanitation	Provision and maintenance of water and sanitation.
Municipal Public Accounts	Municipality's watch dog in terms of compliance with legislation and performance.
Rules Committee	Dealing with all rules and policies in the municipality.
By-laws and policies	Dealing with By-laws and policies in the municipality.
TB	

## APPENDIX C—THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Director	Director/Manager (State title and name)
<b>Office of the Municipal Manager</b>	Monakedi SR-Municipal Manager
	Muedi LT - Chief Risk Officer Deputy Manager
	Mphahlele MF- Manager Internal Audit
	Motau TL-Specialised Audit Deputy Manager
	Deputy Manager Risk Based Audit-Vacant
	Risk Based Audit Deputy Manager-Vacant
	Maifala M.J - Manager IDP
	Tshikhovhi H-Manager Legal
<b>Corporate Services</b>	Lebepe N.G- Senior Manager Corporate Services - Vacant
	Deputy Manager Human Resource-Vacant
	Malwandla NJ- Deputy Manager Administration
	Rasekgala MJ – Deputy Manager IT
<b>Budget and Treasury</b>	Mr Kgatla Q. – Chief Financial Officer
	Hlasi O- Deputy Manager Supply Chain
	Pootona MR - Deputy Manager Budget & Control
	Kgabi NT – Deputy Manager - Revenue
	Mahumani T - Deputy Manager- Expenditure

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	Mangena S- Deputy Manager Asset Management
<b>Office of the Executive Mayor</b>	Lebepe NP and Twala P- Senior Manager Office of the Executive Mayor
	Mukhumbi F.T Excecutive Mayor `s Personal Assistant
	Seshoene E - Deputy Manager MPAC
	Mathebula ES- Deputy Manager Special Programmes
	Tiva W- Manager Communication - Vacant
	Assistant Director Events Management - Mavunda NC
	Twala PD – Deputy Manager Public Participation
<b>Community Services</b>	Mr Shitlhangu D.D. – Senior Manager Community Services
	Letsoalo QHM – Deputy Manager Sports Arts and Culture
	Mudau NR – Deputy Manager Environment and Waste Management
	Visser DJ - Chief Fire Officer
	Masedi KS -Chief Traffic Officer
	Steyn JJ -Head of the Centre.
<b>Engineering Services</b>	Shilowa P – Senior Manager Engineering Services
	Mr Mabunda V. - PMU Manager
	Contract Management - Mandiwana MW
	Masipa MK Deputy Manager Infrastructure Planning
	Mabulane TJ Deputy Manager Energy
<b>Planning and Development</b>	Maboya FT - Senior Manager Planning and Development
	Ngobeni TR - Deputy Manager Spatial Planning
	Maponya GT - Deputy Manager GIS
	Mr Malatji K.P- Deputy Manager LED
<b>Water Services</b>	Ralulimi T – Senior Manager Water Services
	Rammalo AM – Deputy Manager Maintenance and operations Services
	Chavalala R.S –Deputy Manager Water Quality
<b>(T2.2.2).</b>	<b>T C</b>

## APPENDIX D–FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal/Entity Functions		
Municipal Functions	Function applicable to Municipality (Yes/No)*	Function applicable to Entity (yes/no)
Constitution schedule 4, Part B functions		

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Air Pollution	Yes	n/a
Building Regulations	No	n/a
Child Care facilities	No	n/a
Electricity and gas reticulation	Yes	n/a
Firefighting services	Yes	n/a
Local tourism	Yes	n/a
Municipal airports	Yes	n/a
Municipal planning	Yes	n/a
Municipal Health Services	Yes	n/a
Municipal Public Transport	Yes	n/a
Municipal Public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	No	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	n/a
Storm water management systems in built up areas	No	n/a
Trading regulations		n/a
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes	n/a
<i>Continued next page</i>		

Municipal/Entity Functions		
Municipal Functions	Function Applicable to Municipality (Yes/No)*	Function Applicable to entity (Yes/No)
Constitution schedule 5, Part B Functions:		
Beaches and amusement facilities	Yes	N/A
Billboards and the display of advertisements in public places	No	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	No	N/A
Control of public nuisance	No	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	No	N/A
Fencing and fences	No	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	No	N/A
Local amenities	No	N/A
Local sport facilities	No	N/A
Markets	No	N/A
Municipal abattoirs	Yes	N/A
Municipal parks and recreation	No	N/A

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Municipal roads	No	N/A
Noise pollution	Yes	N/A
Pounds	No	N/A
Public places	No	N/A
Refuse removal, refuse dumps and solid waste disposal	No	N/A
Street trading	Yes	N/A
Street lighting	No	N/A
Traffic and parking	No	N/A
*if municipality: indicate (yes or No); * if entity: provide name of entity TD		

## APPENDIX E – WARD REPORTING

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

Functionality of Ward Committees					
Ward Name (Number)	Name of ward councillor and elected ward committee members	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 year
N/A	N/A	N/A	N/A	N/A	N/A
					TE

## APPENDIX F – WARD INFORMATION

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2017/18 (Full List at Appendix N)				
No.	Project Name & Detail	Start Date	End Date	Total Value R`000
N/A	N/A	N/A	N/A	N/A
				TF.1

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	N/A	N/A	N/A	N/A	
Households without minimum service delivery	N/A	N/A	N/A	N/A	

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Total Households*				
Houses completed in year				
Shortfall in housing units				
*including TF.2	informal settlements			

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

Top four service delivery priorities for ward (highest priority first)		
No.	Priority Name and Detail	Progress During 2017/18
N/A	N/A	N/A
		TF.3

As a District Municipality, there are no wards that directly fall under the Mopani District Municipality.

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)	
Names: xxx (8); xxx (7)...	

	TF.3
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## APPENDIX G –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2017/18



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## APPENDIX G: RECOMMENDATION FROM THE MUNICIPAL UDIT COMMITTEE 2017/18

N o	Adopted Audit Committee recommendations	Responsible Person	Progress report	Done or not done
	<b>Resolutions: Audit Committee Meeting held on the 03 November 2017</b>			
1	Management to ensure that there is adherence to MSA Performance Management regulation and that performance management system is cascaded to lower levels	Acting Director Corporate Service Department	Performance has been cascaded down to lower levels. Deputy Managers signed the performance development plans,	Done
2	Management should ensure that overtime above 30% threshold be resolved as this will result in audit findings. It was resolved that in the next Audit Committee meeting the progress report on reduction of overtime should be given by all affected department.	Director Water Service Department, Director Community Service	The interviews for the filling of further 15 fire positions was done Appointment for additional 15 fire fighter positions were done with effective from 01 April 2018. With these additional appointments, overtime expenditure was reduced from R1 708 495.00 in March to R 331 430. 75 in April and to R99 310.88. In May 2018, the number of personnel per shift has increased from 3 to 5 per shift. Currently the municipality is operating on a 2 shift system instead of 4 shift system.	Not done
3	It was agreed that management should implement the risk mitigation plans	All Directors	Management are in progress to mitigate the identified risk	Not done
4	It was agreed that the emerging risk on cash flow management should be incorporated as part of strategic risk	CRO	Cash flow management risk added on strategic risk during risk assessment on the 07 June 2018	Done
5	Management to rework the draft annual report considering all the corrections and inputs made by the audit committee	PMS Coordinator	The report was revised based on the inputs and corrections made by AC	Done
6	Management to rework the institutional mid-year performance report considering all the corrections and inputs made by the audit committee	PMS Coordinator	Management corrected the mid-year performance report	Done
7	Management to rework the section 72 report considering all the inputs made by the audit committee	CFO	Management corrected section 72 reports	Done

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8	All inputs from provincial treasury, CoGSTHA and AGSA to be effected in the AG action plan	MIA	Inputs from Treasury, and CoGHSTA were effected on AG action plan	Done
	<b>Resolutions: Audit Committee Meeting held on the 09 March 2018</b>	Audit Committee Recommendations		
		Committee recommendations ending 2017/18	Recommendations adopted (enter Yes); not adopted (provide explanation)	
9	It was agreed that the quarterly financial Statement will be submitted in the next meeting.	CFO	The service provider to prepare the AFS has been appointed the work is in progress	Not done
10	It was agreed that the cash flow projection report should be modified and submitted in the next meeting.	CFO	The report is part of the item in the agenda	Done
11	The AC requested that the report relating to water related services which indicate the reasons why the municipality is unable to collect revenue on water should be submitted to Audit Committee	CFO	The Water and Sanitation project plan is part of item in the agenda	Not Done
12	The report on how the municipality is going to deal with the issue of overtime based on Vhembe District Municipality findings needs to be discussed in the next AC meeting.	Senior Manager: Corporate Services	The report is part of the item on the agenda	Done
13	Reports on mSCOA implementation incorporating the outcome of the meeting held between SEBATA and National Treasury be provided to AC.	CFO	mSCOA report is part of the item in the agenda	Done
14	Management should incorporate the emerging risks in the Risk Management report.	CRO	The emerging risk has been incorporated during the annual risk assessment	Done
15	That the procurement plan be adjusted to be in line with	CFO	Procurement plan was aligned to the adjusted budget	Done

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	adjustment budget.			
1 6	That the mSCOA steering Committee meetings should be held. Budget and Treasury should provide a report indicating the entire budget on mSCOA and the total expenditure to date.	CFO	mSCOA meeting are held	Done
1 7	The outcome of the meeting between National Treasury and SEBATA on mSCOA progress be reported in the next meeting.	LPT	The municipality has resolved to terminate the contract and it's in the process of terminating	Done
1 8	The comments made by AC to revise the litigation report to be indicated in the litigation register	Manager Legal Service	Litigation register part of the item	Done
1 9	IT Steering committee meeting should take place	IT Manager		Not Done
	<b>Resolutions: Audit Committee Meeting held on the 24 May 2018</b>	Audit Committee Recommendations		
		mittee recommendations g 2017/18	Recommendations adopted (enter Yes); not adopted (provide explanation)	
2 0	That budget related policies be forwarded to AC members for them to make inputs before they are submitted to Mayoral Committee. .	CFO	The policies were forwarded to audit committee	Done
2 1	Management should correct the draft IDP in line with Audit committee inputs.	IDP Manager	All AC inputs were factored into the IDP document after Council approval as discussed in Council sitting.	Done
2 2	Internal Audit should check whether inputs by the Audit Committee on the IDP and Budget process plan are effected	MIA	Comments made by the audit committee were affected by the time the document went to council	Done
2 3	Internal Audit should in their 2018/19 audit plan cover audit project relating to IDP and Budget process plan.	MIA	The project was covered in the audit plan	Done

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2 4	The Accounting Officer should review the implementation of the process plan and present the report on how to improve and where there are blockages it should be clearly stated.	Municipal Manager	The Municipal Manager has reviewing the IDP process plan.	Done
2 5	The IDP documents should include inputs from Provincial.	IDP Manager	Inputs from the Province were factored into the IDP document after Council approval as discussed in Council sitting.	Done
2 6	It was resolved that the IDP needs to be re-worked to be in the current form.	IDP Manager	Re-worked accordingly, taking into account its medium term (5-years).	Done
2 7	The MM should engage COGHSTA to get clarity on which Portfolio should IDP report to.	Municipal Manager	The municipal manager has written formally to sought advice from COGHSTA to get clarity on which Portfolio should IDP report to and still awaits response from CoGHSTA.	Not Done
2 8	Ensure that the master infrastructure plan are in place and to ensure that there is enough budget to implement the plan.	Director Engineering Services	The response/ advice got from COGHSTA is that IDP function is linked to a Portfolio dealing with matters of Governance. This is in line with the current arrangement in Mopani.	Done
2 9	Internal audit to make inputs on the IDP	MIA	Inputs were made by Internal Audit on the IDP	Done
3 0	Ensure that all inputs by the audit committee, internal audit and Provincial Treasury are considered in correcting the IDP and ensure quality of the document before submitted to Mayoral Committee	IDP Manager	Inputs were effected afterwards	Done
3 1	Internal audit to make inputs on the draft budget.	MIA	Inputs were made by Internal Audit on the budget	Done
3 2	That all inputs given by Provincial Treasury and Audit Committee and internal audit to be incorporated in the Budget before it submitted to the Mayoral Committee.	CFO	All inputs were effected afterwards	Done
3 3	The CFO should ensure that all the tables in the municipal budget are populated.	CFO	CFO has populated all municipal tables	Done

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	<b>Resolutions: Audit Committee Meeting held on the 12 June 2018</b>			
3 4	It was resolved that Corporate Services develop a plan for cascading performance to lower level and present the plan in the next meeting	Senior Manager: Corporate Services	Performance has cascaded to the lower level	Done
3 5	It was resolved that the progress report on reduction of overtime for fire services be presented in the next meeting	Senior Manager Community Services	The report is part of item in the agenda	Done
3 6	It was resolved that cash flow management be on the top 10 of risk register	Chief Risk Officer	The risk has been included in the top 10 register during assessment.	Done
3 7	It was resolved that the overtime benchmarking report with Vhembe district municipality to be presented on the next meeting.	Senior Manager: Corporate Service	The benchmarking report was compiled	Done
3 8	It was resolved that the 3 <sup>rd</sup> quarter performance report be referred back to management to factor inputs by AC	PMS coordinator	Inputs were done on the performance report as recommended by AC	Done
3 9	PMS Coordinator to produce exception report and the Municipal Manager should take action on non-capturing	PMS Coordinator Municipal Manager	The exceptional report was done	Done
4 0	It was resolved that the progress report relating to service providers for assets, financial statement and water related transaction must be presented in the next meeting.	CFO	Reports were presented in the last meeting	Done
4 1	It was resolved that a comprehensive UIF Register should	CFO	UIF register is kept in Finance and is being updated	Not Done

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	be kept and progress be updated			
4 2	It was resolved that progress on contract management should be made	Manager Legal and CFO	See attached contract register	Done
4 3	Corporate service to prepare one report which covers the following <ul style="list-style-type: none"> <li>• HRM-Personnel management, leave management, vacancy rate and recruitment plan.</li> <li>• Employment Equity</li> <li>• Organizational structure- Restructuring, job grading and skills audit report</li> <li>• HRD-Training, WSP</li> <li>• Performance Management- Performance appraisals, performance development plans</li> <li>• Labour relations-unions, disciplinary matters, stakeholder relations</li> <li>• Special programmes- Gender, disability, HIV and EAP</li> <li>• Telephone management system</li> </ul>	Senior Manager :Corporate Services	Corporate Service compile one comprehensive Corporate Service Report	Done
4 4	It was resolved that litigation report should categorize cases in terms of civil, labour etc.	Manager: Legal	Litigation register has been revised	Done
4 5	It was resolved that feedback on terms of reference for Financial disciplinary board be provided in the next meeting.	Senior Manager: Corporate Services.		Not Done
4 6	It was resolved that internal audit manual or methodology be submitted to AC in the next meeting.	Manager: Internal audit	Internal Audit Methodology was submitted in the last AC meeting	Done
4 7	It was resolved that the IT Manager to provide feedback on	Manager: IT	A memo has been sent to procure teammate system	Not Done

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	non-functioning teammate			
48	It was resolved that the CRO should develop emerging risk identification methodology	CRO	Emerging risk identification methodology has been developed in the	Done
	<b>Resolutions: Audit Committee Meeting held on the 25 June 2018</b>			
49	Ensure that figures in the SDBIP and the Approved Budget are aligned and reconciled.	PMS Coordinator and CFO	Figures in the SDBIP were aligned with the Approved Budget	Done
50	Align the strategic objectives with the ones in the approved IDP.	PMS Coordinator	Strategic objectives in the SDBIP were aligned with the ones in the approved IDP	Done
51	All comments needs to be effected on the SDBIP before the document is approved by Executive Mayor.	PMS Coordinator	Comment by the AC were effected on the IDP	Done
52	That the strategic risk Assessment report should be re- worked.	CRO	Strategic risk assessment report has been re worked.	Done
53	AC inputs on the Risk Committee charter to be effected before submission to next level	CRO	All inputs were effected on the charter	Done
54	CRO to develop risk register for projects.	CRO	Projects risk register was be developed	Done
55	That the Risk Management Policy should include the issue of consequence management.	CRO	The issue of consequence management has been added on the Risk Management policy.	Done
56	All changes to be effected on the risk management strategy	CRO	All changes have been effected	Done
57	The Comments made by the AC be included in the Anti- Fraud and Corruption strategy before it is submitted to the next level.	CRO	Comments made by the AC has been included in the Anti- Fraud and Corruption strategy	Done
58	Manager Internal Audit should ensure that all the comments made by the AC on the Internal Audit Plan are made.	Manager: Internal audit	Inputs on the Internal Audit plan have been effected	Done

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59	The proposed schedule of the AC to be e-mailed to AC members	Manager: Internal audit	The schedule was e-mailed to AC members	Done
60	Re-align the risk management committee meetings with Audit Committee meetings	CRO	The meetings were re-aligned	Done
61	CRO to develop Internal Control Universe	CRO	The document is been developed and will first presented at the risk management committee before the committee	Not done
62	Report regarding appointment of regulation 32	CFO	The report has been prepared	Done
63	MM to share the outcome of his engagement with Coghsta and MPAC chairperson regarding the Portfolio to which IDP should report.	Municipal Manager	The MM has written formally to Coghsta and still awaiting respond from Coghsta	Not Done
64	It was resolved that the deputy CFO must be part of the AC meetings.	Deputy CFO	The Deputy CFO has been informed to be permanent part of the AC meeting	Done
65	Maruleng Local Municipality's water transactions to be completed by 25 July 2018	CFO	Water transaction work done by service provider	Done
66	Letaba Municipality transactions expected to be finalized by Thursday the 26 of July 2018.	CFO	Water transaction work done by the service provider	Done
67	AC resolved that a formal communique should be drafted and communicated to all local municipality regarding balance on water related inter municipal transaction	CFO	A formal communique was issued	Done
68	The CFO was requested by AC to draft a report to AC which must be presented in the next council sitting. The report must cover the background, all possible financial implications and the issues about the mine providing water on behalf of BPM.	CFO		Not done
69	AC to hold a meeting with BTO consultants.	CFO	The meeting with consultants took place	Done



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70	In conclusion the consultant promised that preliminary figures will be released on the 31 July 2018. It was resolved that a meeting be held between MDM CFO and CFO from all locals and that challenges and other observations be included in the close-up report.	CFO	The meeting took place prior submission of the AFS	Done
71	Matters related to system vendors raised by AGSA must be discussed in the next AC meeting with the service providers. It was resolved that supplementary information be forwarded to AC before council sitting.	CFO		Not done
72	It was recommended that the litigation report should be drafted in a way that everyone can be able to follow.	Manager: Legal service	See attached litigation register	Done
73	AC recommended that a representative from PT form part of the Financial Misconduct Disciplinary Board	Senior Manager Cooperate Service	The Provincial Treasury is part of the Financial Misconduct Disciplinary Board	Done
74	Internal Audit to conduct IT Audits	MIA	IT Audit part of the plan	Done
75	It was resolved that risk management report must be prepared by chairperson of the risk committee and send to the accounting officer who must ultimately present it to AC.	Chairperson of Risk Management committee	The Risk Management Committee report is part of the item in the agenda	Done
76	AC resolved that the system be opened and everyone be afforded an opportunity to correct his/her reporting.	All Managers	System was open for every manager and inputs were made	Done
77	It was resolved that internal audit must re-audit fourth quarter performance report.	MIA	The fourth quarter performance report was audited.	Done

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Resolutions: Audit Committee Meeting held on the 03 November 2017				
1	Management to ensure that there is adherence to MSA Performance Management regulation and that performance management system is cascaded to lower levels	Acting Director Corporate Service Department	Performance has been cascaded down to lower levels. Deputy Managers signed the performance development plans,	Done
2	Management should ensure that overtime above 30% threshold be resolved as this will result in audit findings. It was resolved that in the next Audit Committee meeting the progress report on reduction of overtime should be given by all affected department.	Director Water Service Department, Director Community Service	The interviews for the filling of further 15 fire positions was done Appointment for additional 15 fire fighter positions were done with effective from 01 April 2018. With these additional appointments, overtime expenditure was reduced from R1 708 495.00 in March to R 331 430. 75 in April and to R99 310.88. In May 2018, the number of personnel per shift has increased from 3 to 5 per shift. Currently the municipality is operating on a 2 shift system instead of 4 shift system.	Not done
3	It was agreed that management should implement the risk mitigation plans	All Directors	Management are in progress to mitigate the identified risk	Not done
4	It was agreed that the emerging risk on cash flow management should be incorporated as	CRO	Cash flow management risk	Done

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	part of strategic risk		added on strategic risk during risk assessment on the 07 June 2018	
5	Management to rework the draft annual report considering all the corrections and inputs made by the audit committee	PMS Coordinator	The report was revised based on the inputs and corrections made by AC	Done
6	Management to rework the institutional mid-year performance report considering all the corrections and inputs made by the audit committee	PMS Coordinator	Management corrected the mid-year performance report	Done
7	Management to rework the section 72 report considering all the inputs made by the audit committee	CFO	Management corrected section 72 reports	Done
8	All inputs from provincial treasury, CoGSTHA and AGSA to be effected in the AG action plan	MIA	Inputs from Treasury, and CoGHSTA were effected on AG action plan	Done
	<b>Resolutions: Audit Committee Meeting held on the 09 March 2018</b>			
9	It was agreed that the quarterly financial Statement will be submitted in the next meeting.	CFO	The service provider to prepare the AFS has been appointed the work is in progress	Not done
10	It was agreed that the cash flow projection report should be modified and submitted in the next meeting.	CFO	The report is part of the item in the agenda	Done
11	The AC requested that the report relating to water related services which indicate the reasons why the municipality is unable to collect revenue on water should be submitted to Audit Committee	CFO	The Water and Sanitation project plan is part of item in the agenda	Not Done
12	The report on how the municipality is going to deal with the issue of overtime based on Vhembe District Municipality findings needs to	Senior Manager: Corporate Services	The report is part of the item on the agenda	Done

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	be discussed in the next AC meeting.			
13	Reports on mSCOA implementation incorporating the outcome of the meeting held between SEBATA and National Treasury be provided to AC.	CFO	mSCOA report is part of the item in the agenda	Done
14	Management should incorporate the emerging risks in the Risk Management report.	CRO	The emerging risk has been incorporated during the annual risk assessment	Done
15	That the procurement plan be adjusted to be in line with adjustment budget.	CFO	Procurement plan was aligned to the adjusted budget	Done
16	That the mSCOA steering Committee meetings should be held. Budget and Treasury should provide a report indicating the entire budget on mSCOA and the total expenditure to date.	CFO	mSCOA meeting are held	Done
17	The outcome of the meeting between National Treasury and SEBATA on mSCOA progress be reported in the next meeting.	LPT	The municipality has resolved to terminate the contract and it's in the process of terminating	Done
18	The comments made by AC to revise the litigation report to be indicated in the litigation register	Manager Legal Service	Litigation register part of the item	Done
19	IT Steering committee meeting should take place	IT Manager		Not Done
	<b>Resolutions: Audit Committee Meeting held on the 24 May 2018</b>			
20	That budget related policies be forwarded to AC members for them to make inputs before they are submitted to Mayoral Committee. .	CFO	The policies were forwarded to audit committee	Done
21	Management should correct the draft IDP in line with Audit committee inputs.	IDP Manager	All AC inputs were factored into the IDP document after Council approval as discussed in Council sitting.	Done

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22	Internal Audit should check whether inputs by the Audit Committee on the IDP and Budget process plan are effected	MIA	Comments made by the audit committee were effected by the time the document went to council	Done
23	Internal Audit should in their 2018/19 audit plan cover audit project relating to IDP and Budget process plan.	MIA	The project was covered in the audit plan	Done
24	The Accounting Officer should review the implementation of the process plan and present the report on how to improve and where there are blockages it should be clearly stated.	Municipal Manager	The Municipal Manager has reviewing the IDP process plan.	Done
25	The IDP documents should include inputs from Provincial.	IDP Manager	Inputs from the Province were factored into the IDP document after Council approval as discussed in Council sitting.	Done
26	It was resolved that the IDP needs to be re-worked to be in the current form.	IDP Manager	Re-worked accordingly, taking into account its medium term (5-years).	Done
27	The MM should engage COGHSTA to get clarity on which Portfolio should IDP report to.	Municipal Manager	The municipal manager has written formally to sought advice from COGHSTA to get clarity on which Portfolio should IDP report to and still awaits response from CoGHSTA.	Not Done
28	Ensure that the master infrastructure plan are in place and to ensure that there is enough budget to implement the plan.	Director Engineering Services	The response/ advice got from COGHSTA is that IDP function is	Done

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			linked to a Portfolio dealing with matters of Governance. This is in line with the current arrangement in Mopani.	
29	Internal audit to make inputs on the IDP	MIA	Inputs were made by Internal Audit on the IDP	Done
30	Ensure that all inputs by the audit committee, internal audit and Provincial Treasury are considered in correcting the IDP and ensure quality of the document before submitted to Mayoral Committee	IDP Manager	Inputs were effected afterwards	Done
31	Internal audit to make inputs on the draft budget.	MIA	Inputs were made by Internal Audit on the budget	Done
32	That all inputs given by Provincial Treasury and Audit Committee and internal audit to be incorporated in the Budget before it submitted to the Mayoral Committee.	CFO	All inputs were effected afterwards	Done
33	The CFO should ensure that all the tables in the municipal budget are populated.	CFO	CFO has populated all municipal tables	Done
	<b>Resolutions: Audit Committee Meeting held on the 12 June 2018</b>			
34	It was resolved that Corporate Services develop a plan for cascading performance to lower level and present the plan in the next meeting	Senior Manager: Corporate Services	Performance has cascaded to the lower level	Done
35	It was resolved that the progress report on reduction of overtime for fire services be presented in the next meeting	Senior Manager Community Services	The report is part of item in the agenda	Done
36	It was resolved that cash flow management be on the top 10 of risk register	Chief Risk Officer	The risk has been included in the top 10 register during assessment.	Done

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37	It was resolved that the overtime benchmarking report with Vhembe district municipality to be presented on the next meeting.	Senior Manager: Corporate Service	The benchmarking report was compiled	Done
38	It was resolved that the 3 <sup>rd</sup> quarter performance report be referred back to management to factor inputs by AC	PMS coordinator	Inputs were done on the performance report as recommended by AC	Done
39	PMS Coordinator to produce exception report and the Municipal Manager should take action on non-capturing	PMS Coordinator Municipal Manager	The exceptional report was done	Done
40	It was resolved that the progress report relating to service providers for assets, financial statement and water related transaction must be presented in the next meeting.	CFO	Reports were presented in the last meeting	Done
41	It was resolved that a comprehensive UIF Register should be kept and progress be updated	CFO	UIF register is kept in Finance and is being updated	Not Done
42	It was resolved that progress on contract management should be made	Manager Legal and CFO	See attached contract register	Done
43	Corporate service to prepare one report which covers the following <ul style="list-style-type: none"> <li>• HRM-Personnel management, leave management, vacancy rate and recruitment plan.</li> <li>• Employment Equity</li> <li>• Organizational structure-Restructuring, job grading and skills audit report</li> <li>• HRD-Training,WSP</li> <li>• Performance Management- Performance appraisals, performance development plans</li> <li>• Labour relations-unions, disciplinary matters, stakeholder relations</li> <li>• Special programmes-Gender, disability, HIV and EAP</li> <li>• Telephone management system</li> </ul>	Senior Manager :Corporate Services	Corporate Service compile one comprehensive Corporate Service Report	Done
44	It was resolved that litigation report should	Manager: Legal	Litigation register has been revised	Done



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	categorize cases in terms of civil, labour etc.			
45	It was resolved that feedback on terms of reference for Financial disciplinary board be provided in the next meeting.	Senior Manager: Corporate Services.		Not Done
46	It was resolved that internal audit manual or methodology be submitted to AC in the next meeting.	Manager: Internal audit	Internal Audit Methodology was submitted in the last AC meeting	Done
47	It was resolved that the IT Manager to provide feedback on non-functioning teammate	Manager: IT	A memo has been sent to procure teammate system	Not Done
48	It was resolved that the CRO should develop emerging risk identification methodology	CRO	Emerging risk identification methodology has been developed developed in the	Done
	<b>Resolutions: Audit Committee Meeting held on the 25 June 2018</b>			
49	Ensure that figures in the SDBIP and the Approved Budget are aligned and reconciled.	PMS Coordinator and CFO	Figures in the SDBIP were aligned with the Approved Budget	Done
50	Align the strategic objectives with the ones in the approved IDP.	PMS Coordinator	Strategic objectives in the SDBIP were aligned with the ones in the approved IDP	Done
51	All comments needs to be effected on the SDBIP before the document is approved by Executive Mayor.	PMS Coordinator	Comment by the AC were effected on the IDP	Done
52	That the strategic risk Assessment report should be re- worked.	CRO	Strategic risk assessment report has been re worked.	Done
53	AC inputs on the Risk Committee charter to be effected before submission to next level	CRO	All inputs were effected on the charter	Done
54	CRO to develop risk register for projects.	CRO	Projects risk register was be developed	Done

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55	That the Risk Management Policy should include the issue of consequence management.	CRO	The issue of consequence management has been added on the Risk Management policy.	Done
56	All changes to be effected on the risk management strategy	CRO	All changes have been effected	Done
57	The Comments made by the AC be included in the Anti- Fraud and Corruption strategy before it is submitted to the next level.	CRO	Comments made by the AC has been included in the Anti- Fraud and Corruption strategy	Done
58	Manager Internal Audit should ensure that all the comments made by the AC on the Internal Audit Plan are made.	Manager: Internal audit	Inputs on the Internal Audit plan have been effected	Done
59	The proposed schedule of the AC to be e-mailed to AC members	Manager: Internal audit	The schedule was e-mailed to AC members	Done
60	Re-align the risk management committee meetings with Audit Committee meetings	CRO	The meetings were re-aligned	Done
61	CRO to develop Internal Control Universe	CRO	The document is been developed and will first presented at the risk management committee before the committee	Not done
62	Report regarding appointment of regulation 32	CFO	The report has been prepared	Done
63	MM to share the outcome of his engagement with Coghsta and MPAC chairperson regarding the Portfolio to which IDP should report.	Municipal Manager	The MM has written formally to Coghsta and still awaiting respond from Coghsta	Not Done
64	It was resolved that the deputy CFO must be part of the AC meetings.	Deputy CFO	The Deputy CFO has been informed to be permanent part of the AC meeting	Done
65	Maruleng Local Municipality's water transactions to be completed by 25 July 2018	CFO	Water transaction work done by service provider	Done

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66	Letaba Municipality transactions expected to be finalized by Thursday the 26 of July 2018.	CFO	Water transaction work done by the service provider	Done
67	AC resolved that a formal communique should be drafted and communicated to all local municipality regarding balance on water related inter municipal transaction	CFO	A formal communique was issued	Done
68	The CFO was requested by AC to draft a report to AC which must be presented in the next council sitting. The report must cover the background, all possible financial implications and the issues about the mine providing water on behalf of BPM.	CFO		Not done
69	AC to hold a meeting with BTO consultants.	CFO	The meeting with consultants took place	Done
70	In conclusion the consultant promised that preliminary figures will be released on the 31 July 2018. It was resolved that a meeting be held between MDM CFO and CFO from all locals and that challenges and other observations be included in the close-up report.	CFO	The meeting took place prior submission of the AFS	Done
71	Matters related to system vendors raised by AGSA must be discussed in the next AC meeting with the service providers. It was resolved that supplementary information be forwarded to AC before council sitting.	CFO		Not done
72	It was recommended that the litigation report should be drafted in a way that everyone can be able to follow.	Manager: Legal service	See attached litigation register	Done
73	AC recommended that a representative from PT form part of the Financial Misconduct Disciplinary Board	Senior Manager Cooperate Service	The Provincial Treasury is part of the Financial Misconduct Disciplinary Board	Done
74	Internal Audit to conduct IT Audits	MIA	IT Audit part of the plan	Done
75	It was resolved that risk management report must be prepared by chairperson of the risk committee and send to the accounting officer who must ultimately present it to AC.	Chairperson of Risk Management committee	The Risk Management Committee report is part of the item in the	Done

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			agenda	
76	AC resolved that the system be opened and everyone be afforded an opportunity to correct his/her reporting.	All Managers	System was open for every manager and inputs were made	Done
77	It was resolved that internal audit must re-audit fourth quarter performance report.	MIA	The fourth quarter performance report was audited.	Done
TG				

## APPENDIX H—LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2017/18)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
XLP Solution	Supply of managed printing services	01 Mar 2018	28 Feb 2021	Corporate Services	Rates
Kgatla Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Verveen Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Modjadji Raphesu Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Mohale INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Raphela Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Morero INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Maboku Mangena Att	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
MC Rathelele Att	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Popela Maake Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates

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Long Term Contracts (20 Largest Contracts Entered into 2017/18)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
Ramothwala M Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Magabe Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Lebea & Associates	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Mahowa Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Mogaswa Attorneys	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
Phungo INC	Appointment of Panel of Attorneys	1-May-18	30-Apr-21	Municipal Manager	Rates
NN Mahumani INC	Legal Service (Attorneys)	1-May-18	30-Apr-21	Municipal Manager	Rates
Tshiamiso Trading 135	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Econocom 671	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Sihle Civil and Projects Development	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
LebP Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
VME Projects and Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Aventino Group JV Bathobohle	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Avansare Development Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Eternity Star Investment 231	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Mbanga Trading Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Nandzu Trade and General Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Tainama Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Selby Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Titanic Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Moepeng Trading 39	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Ndoni Properties	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Makgetsi construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Sohlangana Trading 241	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates

# APPENDICES

Long Term Contracts (20 Largest Contracts Entered into 2017/18)					
Name of service provider (entity of municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project Manager	Contract Value
	Electrical work				
Zenobia Trading 242	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
PGN Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Lettam Building and Civil (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Mexcon Civil	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Motla Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
HLTC (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Tsentse Manufacture cc	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Nkomaba Trading	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Seedi Development Projects	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Casnan Civils	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Koephu Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Cerimece Costruction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Rekhuditse Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Vharanani Properties	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Matshelane Trading	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Soaring Summits Developers	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Kamojou Trading & project	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Diges Group	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Mologadi A Nape Business Enterprise	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Shonisani Rambau Construction	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Civil Element (Pty) Ltd	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates
Maseakhole Construction+G42:G63	civil; Mechanical & Electrical work	08 Dec 2017	07 Dec 2020	Engineering	Rates

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Public Private Partnerships Entered into 2017/18					
					R`000
Name & Description of project	Name of Partner (s)	Initiation date	Expiry date	Project manager	Value 2017/18
N/A	N/A	N/A	N/A	N/A	N/A
TH.2					

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

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	a. Service Indicator  b. Service targets (ii)	2015/16		2016/17			2017/18	2018/19	
		Target	Actual	Target	Actual	Actual	Target		
		*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*Following year (x)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TI									

Insert table note advising municipalities to include scorecards

## APPENDIX J–DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of financial interest* (Nil/or details)
(Executive) Mayor	N/A	
Member of Mayco/Exco	Phutuma Nathi, ABSA Investment	
	M20C TRADING	
	Marylouis Trading / brickyard	
	None	
	Employee – Ba-Phalaborwa Municipality	
	Shares with College of Tech and Management	

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	None	
Councillor	None	
	Juta River Lodge, Pfunanani Eating House	
	None	
	Vexlotrix Mamokobe Lodge & Entertainment	
	None	
	None	
Municipal Manager	N/A	
Chief Financial Officer	N/A	
Deputy MM and (Executive) Directors	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
Other S57 Officials	N/A	
	N/A	
	N/A	
	N/A	
	N/A	
*Financial interests to be disclosed even if they incurred for only part of the year. see MBRR SA34A TJ		

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue collection performance by vote						
R'000						
Vote Description	2016/17	Current Year 2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Budget and Treasury	1 009 880	1 348 589	1 386 150	1 268 336	80 253	117 814
Water Distribution	140 979	197 193	194 690	165 532	31 661	29 158



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Waste Water Management	25 948	40 527	40 527	13 319	27 208	27 208
	<b>1 176 807</b>	<b>1 586 309</b>	<b>1 621 367</b>	<b>1 447 187</b>	<b>139 122</b>	<b>174 180</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 TK.1						

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source R'000						
Description	2016/17	2017/18			2017/18	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Grants and Subsidies	961 719	1 337 249	1 378 191	1 256 376	80 873	121 815
Service charges-Water	151 617	202 124	194 690	165 531	36 593	29 159
service charges-Sanitation	27 233	35 596	40 527	133 319	-97 723	-92 792
Interest on outstanding debtors	40 356	-	-	39 629	-39 629	-39 629
interest received-investment	7 128	10 300	6 300	5 438	4 862	862
other income	677	1 040	1 660	6 522	-5 482	-4 862
<b>Total</b>	<b>1 188 730</b>	<b>1 586 309</b>	<b>1 621 368</b>	<b>1 606 815</b>	<b>-20 506</b>	<b>14 553</b>
Tk2						

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG						
						R`000
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
WSIG	95 000	95 000	58 757	61.8%	61.8%	
RRAMS	2 202	2 202	2 202	100%	100%	
FMG	1 795	1 795	1 795	100%	100%	
EPWP	1 725	1 725	1 725	100%	100%	
LP HEALTH	14 232	14 232	10 674	75%	75%	
LP ECON BIOSPHERE	0	0	216	100%	100%	

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LGW SETA	0	0	725	100%	100%	
<b>TOTAL</b>	<b>114 954</b>	<b>114 954</b>	<b>76 094</b>			

\*this includes neighbourhood development partnership grant, public transport infrastructure and systems Grant and any other grant excluding municipal infrastructure grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.  
TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:.

TL.1

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

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

Description	2016/17	2017/18			Planned capital expenditure		
	Actual 000'	Original Budget 000'	Adjustmen t Budget 000'	Actual Expenditure 000'	FY + 1 000'	FY + 2 000'	FY + 3 000'
<b>Capital expenditure by asset class</b>							
<b>Infrastructure – Total</b>	0	0	0	0	0	0	0
Infrastructure: Road transport – Total	0	0	0	0	0	0	0
Roads, pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity – Total</b>	0	0	0	0	0	0	0
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	0	0	0	0	0	0	0
Street Lighting	0	0	0	0	0	0	0
<b>Infrastructure: Water – Total</b>	0	0	0	0	0	0	0
	377 815	336 752	340 252	235 750	466 567	132 636	0
Dams & Reservoirs							
Water Purification	0	0	0	0	0	0	0
Reticulation	377 815	336 752	340 252	235 760	466 567	132 636	0
<b>Infrastructure: Sanitation – Total</b>	94 454	36 281	39 238	7 906	0	0	0
Reticulation							
Sewerage Purification	94 454	36 281	39 238	7 906	0	0	0

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<b>Infrastructure: Other – Total</b>	0	0	0	0	0	0	0
<i>Waste Management</i>	0	0	0	0	0	0	0
<i>Transportation</i>	0	0	0	0	0	0	0
<i>Gas</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0
<b><u>Community – Total</u></b>	120	18 600	9 693	25 043	0	0	0
<i>Community facilities</i>	120	18 600	9 693	25 043	0	0	0
<i>Sports fields&amp; Stadia</i>	0	0	0	0	0	0	0
<i>Swimming pools</i>	0	0	0	0	0	0	0
<i>Community halls</i>	0	0	0	0	0	0	0
<i>Libraries</i>	0	0	0	0	0	0	0
<i>Recreational facilities</i>	0	0	0	0	0	0	0
<i>Fire, safety &amp; emergency</i>	0	0	0	0	0	0	0
<i>Security and policing</i>	0	0	0	0	0	0	0
<i>Buses</i>	0	0	0	0	0	0	0
<i>Clinics</i>	0	0	0	0	0	0	0
<i>Museums &amp; Art Galleries</i>	0	0	0	0	0	0	0
<i>Cemeteries</i>	0	0	0	0	0	0	0
<i>Social rental housing</i>	0	0	0	0	0	0	0
<i>Other</i>	0	0	0	0	0	0	0

Table continued next page

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Capital Expenditure – new assets programme*							
							R'000
Description	2016/17	2017/18			Planned Capital Expenditure		
	Actual	Original budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by asset class</b>							
<b>Heritage assets total</b>	0	0	0	0	13 200	14 300	0
<i>Buildings</i>							
<i>other</i>							
<b>Investment properties – total</b>							
<i>Housing development</i>							
<i>Other</i>	0	0	0	0	0	0	0
<b>Other assets</b>							
General vehicles	0	0	0	0	0	0	0
Specialised vehicles	30	4 550	16 040	0	0	0	0
Plant & Equipment	0	0	0	0	4 000	4 500	0
Computers – hardware/equipment	170	4 040	0	0	50	0	0
Furniture & other office equipment	209	7 500	1 078	10	2 400	2 800	0
Abattoirs	300	1 500	1 500	2 053	0	0	0
Markets							
Civic land and buildings	0	0	0	0	0	0	0
Other buildings	0	0	0	0	0	0	0
Other Land	0	0	0	0	0	0	0
Surplus Assets – (investment or inventory)		0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Agricultural Assets</b>							
<i>List sub-class</i>	0	0	0	0	0	0	0
<b>Biological assets</b>							
<i>List sub-class</i>							
	0	0	0	0	0	0	0
<b>Intangibles</b>							
<i>Computers–software &amp; programming</i>							
<i>Other (list sub-class)</i>	0	0	0	0	0	0	0
<i>Total capital expenditure on renewal of existing assets</i>							
	0	0	0	0	0	0	0
<b>Specialized vehicles</b>							
Refuse							
Fire							
Conservancy ambulances	120	18 600	9 693	25 043	10 000	8 000	0

\*Note: information for this table may be sourced from MBRR (2017: Table SA34a)

TM.1

# APPENDICES

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

Capital Expenditure – upgrade/Renewal programme*							
Description	2017/18	2017/18			Planned Capital Expenditure		
	Actual	Original budget	Adjusted Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by asset class</b>							
<b>Infrastructure –total</b>	-	-		-	-	-	-
<b>Infrastructure: road transport-total</b>	-	-		-	-	-	-
Roads, pavements & bridges							
Storm water							
<b>Infrastructure: electricity –Total</b>	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street lighting							
<b>Infrastructure: water – total</b>	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation – total</b>	-	-		-	-	-	-
Reticulation							
Sewerage purification							
<b>Infrastructure: other Total</b>	-	-		-	-	-	-
Waste management							
Transportation							
Gas							
Other							
<b>Community</b>							
Parks & Gardens							
Sportfiels & Stadia	-	-		-	-	-	-
Swimming Pools							
Community Halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>							
Buildings							
Other	-	-		-	-	-	-

# APPENDICES

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Capital Expenditure – upgrade/Renewal programme*							
Description	2016/17	2017/18			Planned Capital Expenditure		
	Actual	Original budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by asset class</b>							
<b><u>Investment properties</u></b>	-	-		-	-	-	-
<i>Housing development</i>							
<i>other</i>							
<b><u>Other assets</u></b>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & Equipment							
Computers – hardware/equipment							
Furniture & other office equipment							
Abattoirs							
Markets							
Civic land and buildings							
Other buildings							
Other Land							
Surplus Assets – (investment or inventory)							
Other							
<b><u>Agricultural Assets</u></b>	-	-		-	-	-	-
<i>List sub-class</i>							
<b><u>Biological assets</u></b>	-	-		-	-	-	-
<i>List sub-class</i>							
<b><u>Intangibles</u></b>	-	-		-	-	-	-
<i>Computers–software &amp; programming</i>							
<i>Other (list sub-class)</i>							
<i>Total capital expenditure on renewal of existing assets</i>	-	-		-	-	-	-
<b><u>Specialized vehicles</u></b>							
Refuse							
Fire							
Conservancy ambulances							
*Note: information for this table may be sourced from MBRR (2017: Table SA34b)					TM.2		

# APPENDICES

Capital Programme by Project 2017/18					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act-Adj) %	Variance (Act-OB) %
<b>Water</b>	n/a	n/a	n/a	n/a	n/a
"Project A"					
"Project B"					
"Project C"					
<b>Sanitation /Sewerage</b>					
"Project A"					
"Project B"					
<b>Electricity</b>					
"Project A"					
"Project B"					
<b>Housing</b>					
"Project A"					
"Project B"					
<b>Refuse Removal</b>					
"Project A"					
"Project B"					
<b>Storm Water</b>					
"Project A"					
"Project B"					
<b>Economic Development</b>					
"Project A"					
"Project B"					
<b>Sports, Arts &amp; Culture</b>					
"Project A"					
"Project B"					
<b>Environment</b>					
"Project A"					
"Project B"					
<b>Health</b>					
"Project A"					
"Project B"					
<b>Safety &amp; Security</b>					
"Project A"					
"Project B"					
<b>ICT and other</b>					
"Project A"					
"Project B"					
					TN

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2017/18

Wards do not apply to the Mopani District Municipality

# APPENDICES

Capital Programme by project by ward 2016/17			R`000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
<b>Water</b>			
"Project A"			
"Project B"			
<b>Sanitation/sewerage</b>			
<b>Electricity</b>			
<b>Housing</b>			
<b>Refuse Removal</b>			
<b>Storm water</b>			
<b>Economic Development</b>			
<b>Sports, Arts &amp; Culture</b>			
<b>Environment</b>			
<b>Health</b>			
<b>Safety &amp; Security</b>			
<b>ICT and Other</b>			
			TO

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

Service Backlogs: Schools & Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection



# APPENDICES

Schools (Names, Locations)	n/a	n/a	n/a	
Clinics (Names, Locations)				
Names and locations of schools and clinics lacking one or more services. Use 'X' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. TP				

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

Service backlogs experienced by the community where another sphere of Government is the service provider (where the municipality whether or not act on agency basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics		
Housing		
Licensing and testing centre		
Reservoirs		
Schools (primary & High)		
Sports Fields		
		TQ

# APPENDICES

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of loans and grants made by the municipality 2017/18				
All organisation or person in receipt of loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2017/18 R'000	Total amount committed over previous and future years
n/a	n/a	n/a	n/a	n/a
*Loans/Grants – whether in cash or in kind TR				

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	641	610	460	100,0%	24,7%
	<b>641</b>	<b>610</b>	<b>460</b>	28,3%	24,7%
Operating Expenditure	1 035	1 006	1 227	-18,5%	-22,0%
	<b>1 035</b>	<b>1 006</b>	<b>1 227</b>	-18,5%	-22,0%
<b>Total expenditure</b>	<b>676</b>	<b>1 616</b>	<b>1 687</b>	-0,7%	-4,4%
Water and sanitation	605	592	534	11,7%	9,8%
Electricity	–	–	–	0,0%	0,0%
Housing	–	–	–	0,0%	0,0%
Roads, Pavements, Bridges and storm water	–	–	–	0,0%	0,0%
Other	36	19		100,0%	100,0%
	<b>641</b>	<b>610</b>	<b>460</b>	28,3%	24,7%
External Loans				0,0%	0,0%

# APPENDICES

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
	–	–	–		
Internal contributions	–	–	–	0,0%	0,0%
Grants and subsidies	605	592	534	11,7%	9,8%
Other	–	–			
	<b>138</b>	<b>141</b>	<b>141</b>	-1,8%	0,0%
External Loans	–	–	–	0,0%	0,0%
Grants and subsidies					
Investments Redeemed	–	–	–	0,0%	0,0%
Statutory Receipts (including VAT)					
Other Receipts					
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Interest on outstanding debtors	–	–	40	0,0%	0,0%
Service charges	238	235	179	24,8%	24,0%
Other own revenue	1	2	7	-527,2%	-292,9%
Interest on investment	10	6	5	47,2%	13,7%
	<b>249</b>	<b>243</b>	<b>230</b>	7,5%	5,2%
Employee related costs	386	367	376	2,4%	-2,5%
Remuneration of Councillors	9	12	13	-54,9%	-12,9%
Depreciation and amortisation	185	185	178	3,7%	3,7%
Impairment of assets	–	–	26	0,0%	0,0%
Finance cost	–	–	0	0,0%	0,0%
Debt impairment	23	24	66	-181,9%	-172,3%
Contracted				-476,7%	-213,1%

# APPENDICES

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Services	12	22	68		
Bulk purchases	153	153	289	-88,9%	-88,9%
Grant and Subsidies Paid	–	–	1	0,0%	0,0%
Repairs and maintenance	89	179	64	27,3%	64,0%
Other expenditure	180	17	144	19,7%	-769,9%
	<b>1 035</b>	<b>958</b>	<b>1 227</b>	-18,5%	-28,1%
Service charges: Electricity	–	–	–		
Grants & subsidies: Electricity	–	–	–	0,0%	0,0%
Other revenue: Electricity	–	–	–		
	<b>343</b>	<b>356</b>	<b>358</b>	-4,4%	-0,7%
Employee related costs: Electricity	1	1	1	12,2%	0,7%
Provision for working capital: Electricity	–	–	–		
Repairs and maintenance: Electricity	–	–	–		
Bulk purchases: Electricity	–	–	–		
Other expenditure: Electricity	0	0	0	-65,9%	-65,9%
	<b>242</b>	<b>266</b>	<b>267</b>	-10,3%	-0,4%
Service charges: Water	238	235	179	24,8%	24,0%
Grants & subsidies: Water	–	–	–	0,0%	0,0%
Other revenue: Water	–	–	–	0,0%	0,0%
	<b>238</b>	<b>235</b>	<b>179</b>	24,8%	24,0%
Employee related costs: Water	116	121	116	0,0%	4,3%
Depreciation and amortisation	173	174	–	0,0%	0,0%
Repairs and maintenance: Water	1	101	38	-5790,4%	62,1%

# APPENDICES

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Bulk purchases: Water	153	153	289	-88,9%	-88,9%
Other expenditure: Water	108	107	79	27,0%	26,2%
	<b>550</b>	<b>655</b>	<b>522</b>	5,1%	20,4%
TR					

## APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During 2017/18 according to reporting requirements	
Return	Reason return has not been properly made on due date
n/a	n/a
TS	

### CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

**Delete Directive note before publication**

TS.1

## APPENDIX T – PRESEDENTIAL OUTCOME FOR LOCAL GOVERNMENT

See Annual Performance Report 17/18 to respond to table TT

# APPENDICES

Presidential Outcome for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	n/a	
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
*note: some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information		
		TT

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the audited Annual Financial Statements to the Annual report for 2017/18 – This to be developed as a separate volume. Refer to MFMA Circular 36 for further guidance.

T V2

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### General Information

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Nature of business and principal activities	<ul style="list-style-type: none"><li>• Provision of a democratic and accountable Local Government for communities in the mopani district area;</li><li>• Ensuring the provision of services to these communities in a sustainable manner;</li><li>• Promotion of social and economic development;</li><li>• Promotion a safe and healthy environment; and</li><li>• Encourage the involvement of communities and community organisations in the matters of Local Government in the mopani district</li></ul>
Grading of District Municipality	4
Accounting Officer	Monakedi S.R
Chief Finance Officer	Kgatla Q
Registered office	Government Building Main Road Giyani 0826
Business address	Government Building Main Road Giyani 0826
Postal address	Private Bag X9687 Giyani 0826
Website	<a href="http://www.mopani.gov.za">www.mopani.gov.za</a>
Currency	South African Rands
Rounding off	Nearest Rand
Bankers	ABSA
Auditors	Auditor - General South Africa
Audit Committee	Dr Manzini H.N (Chairperson) Adv. Kholong S.S.T Mr Hlomane H.G Mrs Mudau M.S Mr Nevhutalu T.G CA (SA)

# APPENDICES

## **Mopani District Municipality**

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### **Index**

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Statement of Changes in Net Assets	10
Statement of Cashflow	11
Statement of Comparison of Budget and Actual Amounts	12 - 14
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# APPENDICES

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## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Index

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
ABSA	Amalgamated Banks of South Africa
AFS	Annual Financial Statements

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Index

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CFO	Chief Financial Officer
CoGHSTA	Cooperative Governance Human Settlements and Traditional
DWS	Department of Water and Sanitation
EPWP	Extended Public Works Programme
FIFO	First-In-First-Out
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
ICIGFARO	Chartered Institute of Government Finance, Audit and Risk officers
IT	Information Technology
JSE	Johannesburg Stock Exchange
LP	Limpopo Province
LG SETA	Local Government Sector Education and Training Authority
LNW	Lepelle Northern Water
LMs	Local Municipalities
LSA	Long Service Award
MDM	Mopani District Municipality
MWIG	Municipal Water Infrastructure Grant
PMDS	Performance Management and Development System
PPE	Property, Plant and Equipment
PAYE	Pay As You Earn
RHIG	Rural Housing Grant
SDL	Skills Development Levy
SALGBC	South African Local Government Bargaining Council
SALGA	South African Local Government Association
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WSA	Water Service Authority
WSOG	Water Service Operating Grant

## **Mopani District Municipality**

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 6 to 82, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2018 and were signed on its behalf by:

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Accounting Officer  
Monakedi S.R

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## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Officer's Report

---

The accounting officer submits his report for the year ended 30 June 2018.

#### 1. Review of activities

##### Main business and operations

#### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to secure funding through the national treasury. The most significant of these is that the accounting officer continues to secure funding through national treasury for the ongoing operations of the municipality. Other factors affecting going concern are as follows:

As at 30 June, the municipality's current liabilities exceed the current assets by R 1,178,844,045 resulting in the municipality to be technically insolvent. This fact on its own does not bar the municipality to continue being a going concern given that going concern implies that the municipality will be in existence within 12 months of the balance sheet date. The factors indicated below confirm that the municipality will be in existence within 12 months of the balance sheet date.

a) The municipality is experiencing challenges of collecting own revenue from water and sanitation. This is due to weakness and controls involving management of revenue at the local municipalities since the latter are service providers and the district is the service authority.

b) The municipality is service significant historic obligations that do not necessarily have source of funding other than the funding from National Treasury. These obligations include Lepelle Northern Water estimated at R548 million, Department of Water Affairs estimated at R250 million, as well as litigations and claims that come on an ad hoc basis. These litigations and claims can easily cost the municipality over R100 million per annum.

c) There is a need to relook into the municipality's obligations against its resources as the situation currently is not sustainable.

d) The municipality invests a significant amount of resources in the water and sanitation infrastructure with little if any return. This is as the municipality spend a full calendar year without a cent being received from water and sanitation consumers.

e) It is extremely difficult to effectively monitor the cash flow of the municipality because a lot of payments are historic and come on surprise bases. These payments come in various form including, historic claims of contractors on projects, historic legal fees, unpredictable and excessive overtime payments from essential services sections, etc.

f) More often than not, MIG funding transfer for committed projects from National Treasury gets delayed putting more pressure on the liquidity of the municipality.

g) There is also a significant portion of payments for infrastructure projects funded through own funding outside budgets as most of the payments are made to avoid litigations.

Even though the current liabilities exceed the current assets the municipality is a going concern because of the following reasons:

a) There is a commitment from National Treasury to fund the operations of the municipality through equitable share and conditional grants. This is substantiated by past practice and gazettes issued by National Treasury for the MTREF period under consideration.

b) There is no change in the legislation that impact on the municipality's ability to continue as a going concern;

c) There is plans to ensure that there is effective spending of funds.

# APPENDICES

## **Mopani District Municipality**

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### **Accounting Officer's Report**

---

d) There is no communication or statement issued by national treasury to the effect that the municipality will no longer qualify funds from the national treasury in the foreseeable future.

(e) The municipality has rearranged its long term debts to have significant portions financed over a long term to allow for liquidity.

(f) In the medium to long - term, the municipality is taking consideration over water and sanitation function with the aim of maximising revenue collection and recovery of debtors, the monies which will be utilised to pay creditors with speed and return to good liquidity and solvency positions.

(g) The municipality has prepared a healthy cashflow projection for the 2018/2019 financial year which has to date been complied with.

(h) The municipality is spending within budget votes which will assist in keeping expenses and liability repayments within budgeted resources.

#### **3. Subsequent events**

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

#### **4. Accounting policies**

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

#### **5. Accounting Officer**

The accounting officers of the municipality during the year and to the date of this report is as follows:

Monakedi S.R (South African).  
01 April 2017 to date

#### **6. Auditors**

Auditor - General South Africa will continue in office for the next financial period.

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017 *Restated
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	6	14 175 417	14 756 932
Receivables from exchange transactions	7	216 676 901	194 202 462
VAT receivable	8	104 728 852	85 888 375
Consumer debtors	9	73 021 613	165 724 557
Cash and cash equivalents	10	131 303 661	7 761 017
		<b>539 906 444</b>	<b>468 333 343</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	5 176 424 888	4 902 000 962
Intangible assets	4	7 187 185	8 119 393
Heritage assets	5	432 000	432 000
Asset Held for Sale	39	15 504	15 504
		<b>5 184 059 577</b>	<b>4 910 567 859</b>
<b>Total Assets</b>		<b>5 723 966 021</b>	<b>5 378 901 202</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	40	3 368 308	-
Payables from exchange transactions	13	1 657 524 311	1 522 846 360
Unspent conditional grants and receipts	11	63 254 919	2 186 553
Consumer deposits		4 351 591	4 039 720
		<b>1 728 499 129</b>	<b>1 529 072 633</b>
<b>Non-Current Liabilities</b>			
Finance lease liability	40	4 784 830	-
Employee cost related provision	12	85 349 118	80 502 509
Provision on Landfill site	38	18 100 781	11 971 993
		<b>108 234 729</b>	<b>92 474 502</b>
<b>Total Liabilities</b>		<b>1 836 733 858</b>	<b>1 621 547 135</b>
<b>Net Assets</b>		<b>3 887 232 163</b>	<b>3 757 354 067</b>
Accumulated surplus		<b>3 887 232 163</b>	<b>3 757 363 757</b>

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 *Restated
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	15	178 850 094	166 927 478
Interest on outstanding debtors		39 628 665	40 355 569
Other income	17	6 522 398	677 360
Interest received - investment		5 437 907	7 128 364
<b>Total revenue from exchange transactions</b>		<b>230 439 064</b>	<b>215 088 771</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	18	1 256 376 676	961 718 681
<b>Total revenue</b>	14	<b>1 486 815 740</b>	<b>1 176 807 452</b>
<b>Expenditure</b>			
Employee costs	19	(358 652 896)	(303 555 186)
Remuneration of Councillors		(13 179 128)	(14 289 258)
Depreciation and amortisation	20	(177 891 381)	(226 767 209)
Impairment of assets	26	(26 304 809)	-
Finance cost	21	(225 612)	(214 110)
Debt Impairment	22	(65 967 708)	(56 090 683)
Bad debts written off	22	(11 364 593)	-
Bulk purchases	23	(288 788 797)	(313 206 196)
Contracted services	24	(67 163 108)	(62 549 812)
Grants and subsidies paid		(1 325 647)	(863 815)
Repairs and maintenance		(58 519 739)	(80 170 383)
General expenses	25	(174 815 613)	(307 708 072)
<b>Total expenditure</b>		<b>(1 244 199 031)</b>	<b>(1 365 414 724)</b>
<b>Operating surplus (deficit)</b>		<b>242 616 709</b>	<b>(188 607 272)</b>
<b>Surplus (deficit) for the year</b>		<b>242 616 709</b>	<b>(188 607 272)</b>

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2016	3 945 971 029	3 945 971 029
Deficit for the year	(188 607 272)	(188 607 272)
Total changes	(188 607 272)	(188 607 272)
Opening balance as previously reported	3 757 363 757	3 757 363 757
Adjustments		
Prior year adjustments	(124 112 896)	(124 112 896)
Balance at 01 July 2017 as restated*	3 633 250 861	3 633 250 861
Surplus for the year	253 981 302	253 981 302
Total changes	253 981 302	253 981 302
Balance at 30 June 2018	3 887 232 163	3 887 232 163
Note(s)		



# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Percentage
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Figures in Rand

#### Cash Flow Statement

##### Cash flows from operating activities

##### Receipts

Other revenue	1 040 000	30 620 000	31 660 000	199 479 489	167 819 489	
Government - operating	763 067 000	941 042	764 008 000	835 749 961	71 741 961	
Government - capital	559 950 000	40 000 000	599 950 000	481 695 081	(118 254 919)	
Interest income	8 300 000	(2 000 000)	6 300 000	-	(6 300 000)	
	<b>1 332 357 000</b>	<b>69 561 042</b>	<b>1 401 918 000</b>	<b>1 516 924 531</b>	<b>115 006 531</b>	

##### Payments

Employee costs	(423 931 000)	108 660 000	(315 271)	(383 400 497)	(383 085 226)	
Trade creditors	(592 129 000)	165 426 000	(426 703 000)	(549 158 947)	(122 455 947)	
Other cash item	-	-	-	(549 158 947)	(549 158 947)	
	<b>(1 016 060 000)</b>	<b>274 086 000</b>	<b>(427 018 271)</b>	<b>(1 481 718 391)</b>	<b>(1 054 700 120)</b>	

<b>Net cash flows from operating activities</b>	<b>316 297 000</b>	<b>343 647 042</b>	<b>974 899 729</b>	<b>35 206 140</b>	<b>(939 693 589)</b>	
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##### Cash flows from investing activities

Capital assets	(640 835 000)	30 359 000	(610 476 000)	(459 705 628)	150 770 372	
Finance lease payments	-	-	-	(1 116 807)	(1 116 807)	

<b>Net cash flows from investing activities</b>	<b>(640 835 000)</b>	<b>30 359 000</b>	<b>(610 476 000)</b>	<b>(460 822 435)</b>	<b>149 653 565</b>	
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<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(324 538 000)</b>	<b>374 006 042</b>	<b>364 423 729</b>	<b>(425 616 295)</b>	<b>(790 040 024)</b>	
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<b>Cash and cash equivalents at the beginning of the year</b>	<b>(109 357 699)</b>	<b>30 359 000</b>	<b>(610 476 000)</b>	<b>7 761 017</b>	<b>618 237 017</b>	
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<b>Cash and cash equivalents at the end of the year</b>	<b>(433 895 699)</b>	<b>404 365 042</b>	<b>(246 052 271)</b>	<b>(417 855 278)</b>	<b>(171 803 007)</b>	
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## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

##### 1.1 Going concern assumption

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

##### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

###### Trade receivables or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

###### Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items.

###### Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated - lower or - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.2 Significant judgements and sources of estimation uncertainty (continued)

##### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

##### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note .

##### Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

##### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

##### Cash and Cash equivalents

Cash and Cash equivalents are measured at cost.

Cash includes cash on hand cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with bankst

##### Trade payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.2 Significant judgements and sources of estimation uncertainty (continued)

##### Events after balance sheet date

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the Balance Sheet date. Events after the balance sheet date that are indicative of conditions that arose after the Balance Sheet date are disclosed with by way of note to the Financial Statements

Disclosure for each material category of non-adjusting events after the reporting date should be done disclosing the nature of the event and the estimation of its financial effect or a statement that such an estimation cannot be made.

#### 1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.



# APPENDICES

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

#### 1.3 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in municipality or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in municipality or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in municipality or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in municipality or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in municipality or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in municipality or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	30 years
Plant and machinery	4 - 10 years
Furniture and fixtures	5 - 7 years
Motor vehicles	7 - 15 years
Work In Progress	4 - 5 years
Information Technology Equipment	4 years
Specilised vehicles	15 years
Water reservoir reticulation	5 - 60 years
Sewerage purification	5 - 60 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.3 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in municipality or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in municipality or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the statement of financial position.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

#### 1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

#### 1.4 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Licenses and franchises	5 years
Computer software	5 years
Blyde Water Utility	20 years
.	

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is determined as the difference between the net disposal proceeds. Such difference is recognised in surplus or deficit when the intangible asset is derecognised.

#### 1.5 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.5 Heritage assets (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note ).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation municipality. However, the increase is recognised in municipality or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in municipality or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in municipality or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation municipality in respect of that heritage asset.

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in municipality or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).



## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

### 1.6 Financial instruments (continued)

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables	loans and receivables
Loans and receivables	loans and receivables
Consumer debtors	loans and receivables
Held to maturity investments	Held on maturity

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

## Mopani District Municipality

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## Accounting Policies

### 1.6 Financial instruments (continued)

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Liquidity risk is the risk that the entity will encounter difficulty in meeting its financial obligations that are settled by delivering cash or financial assets.

Loan commitment is a firm contract to provide a loan to a borrower.

Loans payable are financial liabilities.

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes foreign exchange risk.

Other price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices (other than those specific to the individual financial instrument).

A financial asset is past due when the entity is not receiving payments as scheduled.

A residual interest is any contract that gives the holder the right to receive payments from the issuer of a financial instrument. A residual interest includes contracts that:

- are equity instruments of the issuer;
- are a formal designation of the issuer, forming part of an equity instrument;
- are a formal agreement between the issuer and the holder, forming part of an equity instrument.

Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial instrument. An increment is the difference between the fair value of the financial instrument and the fair value of the financial instrument.

Financial instruments at amortised cost are those that are measured at amortised cost, and whose fair value cannot be determined.

Financial instruments at cost are those that are measured at cost, and whose fair value cannot be determined.

Financial instruments at fair value are those that are measured at fair value, and whose fair value can be determined.

Financial instruments at fair value are those that are measured at fair value, and whose fair value can be determined.

- derivatives;
- combined instruments;
- instruments held for trading;
  - it is acquired or issued at a discount;
  - on initial recognition, there is evidence of a non-derivative financial instrument at fair value at initial recognition;
  - financial instruments at cost.

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#### 1.6 Financial instruments (continued)

##### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

##### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

##### Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

##### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in municipality or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in municipality or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

##### Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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#### 1.6 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in municipality or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in municipality or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

#### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in municipality or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in municipality or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in municipality or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

#### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.



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#### 1.7 Leases (continued)

##### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

##### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

##### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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#### 1.8 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. After inventory is assessed at the end of the year, obsolete items are written down using the market value of the inventory items.

#### 1.9 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

#### 1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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#### 1.10 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

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#### 1.10 Impairment of cash-generating assets (continued)

##### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in municipality or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

##### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



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#### 1.10 Impairment of cash-generating assets (continued)

##### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in municipality or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### 1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

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#### 1.11 Employee benefits (continued)

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

##### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

##### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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#### 1.11 Employee benefits (continued)

##### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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#### 1.11 Employee benefits (continued)

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in municipality or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a municipality in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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#### 1.11 Employee benefits (continued)

##### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

##### Long term service awards

Employees qualify for additional leave for various period of uninterrupted service in accordance with SALGBC condition of service. The long term service award measured in accordance with GRAP 25 through an actuarial valuation.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date; and
- less the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.



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#### 1.11 Employee benefits (continued)

##### Accumulated leave days

Accumulated leave benefit accrues to employees up to maximum of 48 leave days. The benefits are paid in the events of death, disability, retrenchment or/and retirement. Employees who have leave days in excess of the 48 days for periods, before the conditions of service came to effect, are measured in accordance with GRAP 25 through an actuarial valuation

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
  - the termination benefits for each job classification or function; and
  - the time at which the plan will be implemented.
- Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.
- Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.
- In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer. .

#### 1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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### Accounting Policies

#### 12 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

A obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

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### Accounting Policies

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#### 1.12 Provisions and contingencies (continued)

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

##### Contingent Assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

##### Contingent Liability

A contingent liability is not recognised as it is a potential liability that may occur depending on the outcome of a future event. A contingent liability is recorded in the accounting records if the contingency is probable and the amount of the liability can be reasonably determined. If both are not met, the liability may be disclosed in the notes to the financial statements.

#### Termination benefits

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate.

The rate used to discount the benefit reflects the time value of money. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

#### 1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.



# APPENDICES

## Mopani District Municipality

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### Accounting Policies

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#### 1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Service charges

When the outcome of the transactions involving the rendering of services can be estimated reliably, revenue with transaction is recognised. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined to the extent expenditure incurred is recoverable.

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### Accounting Policies

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#### 1.14 Revenue from exchange transactions (continued)

##### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in municipality or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in municipality or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

#### 1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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Annual Financial Statements for the year ended 30 June 2018

### Accounting Policies

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#### 1.15 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

##### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

##### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### 1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

#### 1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act or -
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

## Mopani District Municipality

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### Accounting Policies

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#### 1.20 Irregular expenditure (continued)

(c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

#### 1.21 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2017/07/01 to 2018/06/30.

Variances above 10 percent are considered significant.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury

#### 1.22 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, entities within the National, Provincial and Local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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Figures in Rand

2018

2017

#### 2. New standards and interpretations

##### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations

##### GRAP 21 (as amended 2015): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cashgenerating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and

- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Identifying an asset that may be impaired:

Additional commentary has been added to clarify that physical damage triggers impairment of an asset when it results in a permanent or a significant decline in the potential of an asset.

Reversing an impairment loss:

An indicator has been added that the restoration of an asset's service potential following physical damage to the asset could indicate a reversal in an impairment loss.

Additional commentary has been added to clarify that restoration of an asset's service potential as a result of physical damage is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased.

Disclosures:

The requirement to disclose the criteria developed to distinguish non-cash-generating assets from cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The municipality has adopted the standard in the current year..

The standard does not have a material impact on the municipality's financial statements.

##### GRAP 26 (as amended 2015): Impairment of cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cashgenerating;

- assessing the feasibility of one measurement approach for non-cash-generating assets; and

- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Cash-generating Assets are outlined below:



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### Notes to the Annual Financial Statements

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#### 2. New standards and interpretations (continued)

General definitions:

The definitions of cash-generating assets and cash-generating unit have been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets below.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Disclosures:

The requirement to disclose the criteria developed to distinguish cash-generating assets from non-cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The municipality has adopted the standard in the current year. The standard does not have a material impact on the municipality's financial statements

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods:

##### GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality will adopt the standard for the first time when the Minister sets the effective date for the standard.

##### GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality will adopt the standard once the effective date is announced by the Minister of Finance

##### IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 2. New standards and interpretations (continued)

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality will adopt the standard once the effective date is announced by the Minister of Finance

#### GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

#### GRAP 20: Related parties

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### Notes to the Annual Financial Statements

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#### 2. New standards and interpretations (continued)

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

A person or a close member of that person's family is related to the reporting entity if that person:

- has control or joint control over the reporting entity; - has significant influence over the reporting entity;
- is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;



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### Notes to the Annual Financial Statements

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#### 2. New standards and interpretations (continued)

- Related party transactions; and

- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. It is unlikely that the standard will have a material impact on the municipality's financial statements

#### 2.3 Standards and interpretations not yet effective or relevant

##### GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

##### Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Historically, public entities have prepared financial statements in accordance with generally recognised accounting practice, unless the Accounting Standards Board (the Board) approved the application of generally accepted accounting practice for that entity. "Generally accepted accounting practice" has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the standard is for years beginning on or after 01 April 2018.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 3. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	11 980 776	-	11 980 776	11 980 776	-	11 980 776
Buildings	152 584 965	(71 773 833)	80 811 132	158 367 239	(71 984 541)	86 382 698
Work In Progress	1 082 312 237	-	1 082 312 237	686 388 759	-	686 388 759
Infrastructure	7 383 986 476	(3 427 793 324)	3 956 193 152	7 348 851 399	(3 267 260 027)	4 081 591 372
Other property, plant and equipment	68 564 513	(29 740 502)	38 824 011	61 286 609	(25 629 252)	35 657 357
Other leased Assets	6 336 305	(32 725)	6 303 580	32 725	(32 725)	-
<b>Total</b>	<b>8 705 765 272</b>	<b>(3 529 340 384)</b>	<b>5 176 424 888</b>	<b>8 266 907 507</b>	<b>(3 364 906 545)</b>	<b>4 902 000 962</b>

# GLOSSARY

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand

#### 3. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Write offs	Impairment	Transfers	Depreciation	Total
Land	11 980 776	-	-	-	-	-	11 980 776
Buildings	86 382 698	801 403	-	-	-	(6 372 969)	80 811 132
Work in progress	686 388 759	467 884 171	-	(1 957 049)	(70 003 644)	-	1 082 312 237
Infrastructure	4 081 591 372	72 715 187	(7 742 115)	(24 347 761)	-	(166 023 531)	3 956 193 152
other property, plant and equipment	35 657 357	7 277 904	-	-	-	(4 111 250)	38 824 011
leased Assets	-	6 755 158	(451 578)	-	-	-	6 303 580
	<b>4 902 000 962</b>	<b>555 433 823</b>	<b>(8 193 693)</b>	<b>(26 304 810)</b>	<b>(70 003 644)</b>	<b>(176 507 750)</b>	<b>5 176 424 888</b>

##### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Prior year adjustments	Transfers received	Depreciation	Impairment loss	Total
Land	11 980 776	-	-	-	-	-	11 980 776
Buildings	98 213 283	65 000	(5 009 116)	-	(6 886 469)	-	86 382 698
Work In Progress	519 844 801	473 140 497	(213 204 213)	(38 451 381)	-	(54 940 945)	686 388 759
Infrastructure	4 034 276 577	38 386 503	171 423 865	-	(162 495 573)	-	4 081 591 372
Other property, plant and equipment	38 291 349	994 629	-	-	(3 628 621)	-	35 657 357
	<b>4 702 606 786</b>	<b>512 586 629</b>	<b>(46 789 464)</b>	<b>(38 451 381)</b>	<b>(173 010 663)</b>	<b>(54 940 945)</b>	<b>4 902 000 962</b>

#### Pledged as security

Carrying value of assets pledged as security:

#### Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Buildings	26 417 901	28 374 950
Infrastructure	1 051 709 828	658 013 809

# GLOSSARY

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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#### 3. Property, plant and equipment (continued)

<b>1 078 127 729</b>	<b>686 388 759</b>
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Included in the work in progress figures of R1 078 127 729 above is expenditure amounting to R91 259 203 relating to projects that are slow moving and are taking a significantly longer period to complete. The delay are mainly caused by poor workmanship from the contractors resulting in appointment of replacement service providers

Included in the work in progress of R1 078 127 729 above is expenditure amounting to R40 464 255 relating to two projects that were taken over and completed projects since transfer has not yet been done by DWS and the municipality does not have details of expenditure incurred by DWS in the completing these projects. There are ongoing engagements with DWS to insure that the matter is timeously resolved.

#### Reconciliation of Work-in-Progress 2018

	Included within Infrastructure	Included within buildings	Total
Opening balance	658 013 809	28 374 950	686 388 759
Additions	463 699 663	-	463 699 663
Impairments	-	(1 957 049)	(1 957 049)
Transferred to completed items	(70 003 644)	-	(70 003 644)
	<b>1 051 709 828</b>	<b>26 417 901</b>	<b>1 078 127 729</b>

#### Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Included within buildings	Total
Opening balance	453 956 012	65 888 788	519 844 800
Additions	474 454 056	65 000	474 519 056
Impairments	(17 427 107)	(65 000)	(17 492 107)
Transferred to completed items	(252 969 152)	(37 513 838)	(290 482 990)
	<b>658 013 809</b>	<b>28 374 950</b>	<b>686 388 759</b>

#### Heritage assets

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 4. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 577 760	(1 034 781)	542 979	1 577 760	(1 034 781)	542 979
Blyde Utility	7 576 414	(932 208)	6 644 206	13 991 354	(6 414 940)	7 576 414
<b>Total</b>	<b>9 154 174</b>	<b>(1 966 989)</b>	<b>7 187 185</b>	<b>15 569 114</b>	<b>(7 449 721)</b>	<b>8 119 393</b>

#### Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Computer software, other	542 979	-	542 979
Blyde Utility	7 576 414	(932 208)	6 644 206
	<b>8 119 393</b>	<b>(932 208)</b>	<b>7 187 185</b>

#### Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Computer software, other	1 112 291	(569 312)	542 979
Blyde Utility	7 987 719	(411 305)	7 576 414
	<b>9 100 010</b>	<b>(980 617)</b>	<b>8 119 393</b>

#### Pledged as security

Carrying value of intangible assets pledged as security:

# APPENDICES

## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 5. Heritage assets

	2018			2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral Chain	432 000	-	432 000	432 000	-	432 000

#### Reconciliation of heritage assets 2018

	Opening balance	Total
Mayoral Chain	432 000	432 000

#### Reconciliation of heritage assets 2017

	Opening balance	Total
Art Collections, antiquities and exhibits	432 000	432 000

#### 6. Inventories

Consumable stores	16 770 550	14 287 634
Ba - Phalaborwa Municipality	-	6 545
Greater Giyani Municipality	-	60 553
Greater Tzaneen Municipality	61 441	310 749
Greater Letaba Municipality	56 618	91 451
	16 888 609	14 756 932
Inventories (write-downs)	(2 713 192)	-
	14 175 417	14 756 932

#### 7. Receivables from exchange transactions

Staff Debtors	389 918	429 868
Audit Committee Proportional Payment	2 612 341	2 612 341
Councillors Debtors	1 093 333	170 168
Service Providers	1 865 543	1 067 701
Interest receivable	865 962	-
Greater Tzaneen Municipality	11 631	1 462 446
Ba - Phalaborwa Municipality	209 838 173	177 095 345
National Treasury	-	11 364 593
	216 676 901	194 202 462

#### 8. VAT receivable

VAT	104 728 852	85 888 375
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#### 9. Consumer debtors

Gross balances		
Water	650 962 446	641 928 911
Sewerage	96 056 977	132 742 054
Total gross balances	747 019 423	774 670 965

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>9. Consumer debtors (continued)</b>		
<b>Less: Allowance for impairment</b>		
Water	(608 094 199)	(556 516 413)
Sewerage	(65 903 611)	(52 429 995)
<b>Total allowance for impairments</b>	<b>(673 997 810)</b>	<b>(608 946 408)</b>
<b>Net balance</b>		
Water	42 868 247	85 412 498
Sewerage	30 153 366	80 312 059
<b>Total net balance</b>	<b>73 021 613</b>	<b>165 724 557</b>
<b>Water</b>		
Current (0 -30 days)	6 850 882	8 983 625
31 - 60 days	8 602 678	3 823 778
61 - 90 days	3 845 386	3 379 997
91 - 120 days	3 158 242	2 907 115
121 - 365 days	9 605 265	7 853 656
> 365 days	618 899 993	658 830 058
Impairment	(608 094 199)	(556 516 413)
<b>Total</b>	<b>42 868 247</b>	<b>129 261 816</b>
<b>Sewerage</b>		
Current (0 -30 days)	3 389 989	1 649 277
31 - 60 days	1 199 828	1 064 305
61 - 90 days	2 178 673	916 207
91 - 120 days	2 740 673	1 876 078
121 - 365 days	12 663 133	5 182 076
>365 days	73 884 462	78 204 792
Impairment	(65 903 611)	(52 429 995)
<b>Total</b>	<b>30 153 147</b>	<b>36 462 740</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(610 228 726)	(571 131 593)
Contributions to allowance	(65 967 707)	(37 814 815)
Bad debts written off	2 198 623	-
<b>Total</b>	<b>(673 997 810)</b>	<b>(608 946 408)</b>
<b>Consumer debtors per local municipality</b>		
Consumer debtors	-	-
Ba - Phalaborwa Municipality	460 027 217	512 780 585
Greater Tzaneen Municipality	96 363 435	88 721 500
Greater Giyani Municipality	122 845 762	116 503 478
Greater Letaba	66 229 819	55 270 158
Maruleng Municipality	1 553 190	1 395 244
<b>Total</b>	<b>747 019 423</b>	<b>774 670 965</b>
<b>10. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	18 026 614	5 431 485

# APPENDICES

## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
10. Cash and cash equivalents (continued)		
Short-term deposits	113 277 047	2 329 532
	<b>131 303 661</b>	<b>7 761 017</b>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2018	30 June 2017	30 June 2016	30 June 2018	30 June 2017	30 June 2016
ABSA BANK - 40-5277-1364	18 021 112	5 431 485	16 804 189	18 021 112	5 431 485	16 804 189
ABSA BANK - 40-8091-1671	32 405 565	2 083 248	53 038 542	32 405 565	2 083 248	53 038 542
ABSA BANK - 40-8091-1613	80 871 817	237 738	39 514 968	80 871 817	237 738	39 514 968
Growbus - 40-8937-0832	5 502	-	-	5 502	-	-
<b>Total</b>	<b>131 303 996</b>	<b>7 752 471</b>	<b>109 357 699</b>	<b>131 303 996</b>	<b>7 752 471</b>	<b>109 357 699</b>

#### 11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	27 011 629	-
Rural Transport Grant	-	2 049 000
Water Services Infrastructure Grant	36 243 290	137 553
<b>Total</b>	<b>63 254 919</b>	<b>2 186 553</b>

#### 12. Employee cost related provision

Reconciliation of employee cost related provision - 2018

	Opening Balance	Additions	Total
Post retirement medical aid benefits	64 052 881	2 669 792	66 722 673
Long service awards	16 449 628	2 176 817	18 626 445
<b>Total</b>	<b>80 502 509</b>	<b>4 846 609</b>	<b>85 349 118</b>

Reconciliation of employee cost related provision - 2017

	Opening Balance	Additions	Total
Post retirement medical aid benefits	62 168 459	1 884 422	64 052 881
Long service awards	16 531 270	(81 642)	16 449 628
<b>Total</b>	<b>78 699 729</b>	<b>1 802 780</b>	<b>80 502 509</b>

Movements in the present value of the post retirement medical aid benefit	Mopani	Ba - Phalaborwa	Giyane	Tzaneen	Maruleng	Letaba
Opening balance	54 240 698	3 194 000	1 093 043	6 916 586	358 823	1 443 731
Current service costs	2 676 003	5 000	46 506	324 481	59 590	-
Interest costs	5 423 950	309 000	110 924	673 846	36 215	-
Actual employee benefits payments	(29 966)	-	-	(105 924)	-	-
Actuarial (losses)/gains	(7 854 597)	513 000	(432 472)	(1 428 883)	(401 503)	(449 378)
<b>Subtotal</b>	<b>54 456 088</b>	<b>4 021 000</b>	<b>818 001</b>	<b>6 380 106</b>	<b>53 125</b>	<b>994 353</b>
	<b>54 456 088</b>	<b>4 021 000</b>	<b>818 001</b>	<b>6 380 106</b>	<b>53 125</b>	<b>994 353</b>



# APPENDICES

## Mopani District Municipality

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### Notes to the Annual Financial Statements

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#### 12. Employee cost related provision (continued)

##### Post retirement medical aid benefit - Defined Benefit Plan.

The municipality provides post retirement healthcare benefit by funding the medical aid contributions of qualified retired employees of the municipality. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan. The municipality is liable for 60% of the contribution for the medical aid scheme upon member retiring.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out on 31 August 2018 by Chanin Weiss, Fellow of the Actuarial Society of South Africa under Arch Actuarial Consulting. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the Project unit credit method.

##### Financial assumptions

Discount Rate	9.83%
Health care cost inflation rate	7.55%
Net effective discount rate	2.12%

##### Demographic assumptions

Average retirement age	63
Continuation of membership at retirement	95%
Proportion with a spouse dependent at retirement	95%
Proportion of eligible in service non members joining	30%
Mortality during employment	SA 85 - 90
Mortality post retirement	PA(90) - 1

##### Sensitivity Analysis

	Change	In Service Members	Continuation members	Total	Percentage Change
Health care Inflation %	1	63 365	-	63 741	17
Health care inflation %	(1)	46 481	-	46 802	(14)
Discount rate %	1	46 686	-	47 009	(14)
Discount rate %	(1)	63 245	-	63 620	17
Post- retirement mortality in years	1	56 106	-	56 467	4
Ave retirement age	1	59 393	-	59 740	10
Continuation of membership at retirement %	(10)	43 342	-	43 689	(20)
	(8)	378 618	-	381 068	-

##### Reconciliations of long - service award liability

A long-service award is payable after 10 years of continuous service and every 5 years thereafter to employees. Additional to this, employees are entitled to the 14th cheque for continuous employment on their 30th and every 5th year onward. The provision is an estimate of the long service award based on historical staff turnover.

Movement in the present value of long service awards	Mopani	Ba-Phalaborwa	Giyane	Tzaneen	Maruleng	Letaba
Opening Balance	14 299 132	433 306	526 597	1 163 687	216 730	243 482
Current service cost	948 359	41 817	24 529	120 203	-	-
Interest cost	1 114 328	36 639	43 031	94 821	-	-
Actuarial (gain)/losses	1 040 630	201 919	8 767	40 433	34 526	(29 064)
Benefits paid	(1 835 728)	(53 388)	(15 203)	(73 108)	-	-
Subtotal	15 566 721	660 293	587 721	1 346 036	251 256	214 418
	15 566 721	660 293	587 721	1 346 036	251 256	214 418

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## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

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#### 12. Employee cost related provision (continued)

The financial assumptions used for Long Service Awards were as follows Discount rate used 2018 (8.33%) 2017 (8.26%), General earnings inflation rate 2018 (6%) 2017 (6.08%) and Net effective discount rate 2018 (2.20%) 2017 (2.06%).

The demographic assumptions used for long Service Awards were as follows: Average retirement age of 63 years. Mortality during employment of SA 85 - 90 mortality table and withdrawal from service average duration.

The actuarial report presented for long service awards at other municipalities did not disclose the short term and the long term portion of the liability. As a result we could not disclose the short term and long term portion liability for long term service

#### Provision for landfill site

	2018	2017
Opening Balance	11,971,993	11,971,993
Additions	6,128,788	
Total	18,100,781	11,971,993

#### 13. Payables from exchange transactions

Trade payables	354 290 578	406 395 314
Retentions	58 044 545	45 272 129
Other payables	1 187 399	1 187 399
Agency fees payables	4 533 567	2 674 123
Greater Letaba municipality	71 111 962	52 750 608
Greater Tzaneen municipality	209 840 441	176 890 916
Maruleng municipality	24 003 740	23 422 304
Lepelle Northern Water	547 977 908	490 042 470
Greater Giyani Municipality	12 181 503	24 686 086
Trade creditors at local municipalities	5 519 449	5 325 233
Department of Water and Sanitation	319 453 786	242 807 282
Leave accrual	41 872 685	44 835 083
Bonus accrual	7 506 748	6 557 413
Total	1 657 524 311	1 522 846 360

The balance of payables pertains to inter municipality transactions with the local municipalities for which the distinct municipality has a service level agreement for the provision of water and sanitation to the locals

GRAP 104 has been considered in the valuation of these payables.

#### 14. Revenue

Service charges	178 850 094	166 927 478
Interest on Outstanding Debtors	39 628 665	40 355 569
Other income	6 522 398	677 360
Interest received - investment	5 437 907	7 128 364
Government grants & subsidies	1 256 376 676	961 718 681
	1 486 815 740	1 176 807 452

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	178 850 094	166 927 478
Interest on Outstanding Debtors	39 628 665	40 355 569
Other Income	6 522 398	677 360

# APPENDICES

## Mopani District Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>14. Revenue (continued)</b>		
Interest received - investment	5 437 907	7 128 364
	<b>230 439 064</b>	<b>215 088 771</b>
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	1 256 376 676	961 718 681
<b>15. Service charges</b>		
Sale of water	151 616 898	140 979 327
Sewerage and sanitation charges	27 233 196	25 948 151
	<b>178 850 094</b>	<b>166 927 478</b>
<b>16. Other revenue</b>		
Interest on Outstanding Debtors	39 628 665	40 355 569
Other income	6 522 398	677 360
	<b>46 151 063</b>	<b>41 032 929</b>
<b>17. Other income</b>		
Sundry Income	5 493 039	129 521
Insurance claims	68 964	95 914
Reconnection fees	69 627	64 502
Tender fees	890 768	387 423
Total	<b>6 522 398</b>	<b>677 360</b>
<b>18. Government grants and subsidies</b>		
Operating grants		
Equitable share grant	759 546 553	625 707 000
EPWP grant	1 725 000	1 943 000
Finance Management Grant (FMG)	1 795 000	1 460 000
LP - Health (EHP)	10 674 000	14 188 986
LGW SETA grant	725 042	569 248
LP Econ (Biosphere) grant	216 000	200 000
Total operating and capital grants	<b>774 681 595</b>	<b>644 068 234</b>
Capital grants		
Municipal infrastructure grant (MIG)	420 736 371	208 500 000
Water Services Infrastructure Grant	58 756 710	109 150 447
Rural Roads Asset Management Grant	2 202 000	-
	<b>481 695 081</b>	<b>317 650 447</b>
	<b>1 256 376 676</b>	<b>961 718 681</b>
<b>Municipal Infrastructure Grant</b>		
Balance unspent at beginning of year	-	75 662 544
Current-year receipts	447 748 000	208 500 000
Conditions met - transferred to revenue	(420 736 371)	(208 500 000)

# APPENDICES

## Mopani District Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
18. Government grants and subsidies (continued)		
Other	-	(75 662 544)
<b>Total</b>	<b>27 011 629</b>	<b>-</b>

The purpose of the grant is to improve access to basic service infrastructure for poor communities.

#### Finance management grant

Current-year receipts	1 795 000	1 460 000
Conditions met - transferred to revenue	(1 795 000)	(1 460 000)
<b>Total</b>	<b>-</b>	<b>-</b>

The purpose of this grant is to improve capacity in financial management

#### Rural transport grant

Balance unspent at beginning of year	2 049 000	85 875
Current-year receipts	2 202 000	2 049 000
Conditions met - transferred to revenue	(2 202 000)	(85 875)
Roll over unapproved from 2017	(2 049 000)	-
<b>Total</b>	<b>-</b>	<b>2 049 000</b>

The purpose of the grant is to improve data on rural roads to guide infrastructure development.

#### EHP Grant

Balance unspent at beginning of year	-	450 486
Current-year receipts	10 674 000	13 738 500
Conditions met - transferred to revenue	(10 674 000)	(14 188 986)
	<b>-</b>	<b>-</b>

The purpose of the grant is to ensure that transferred schemes are fully functional and operated by skilled personnel to ensure optimal service delivery by the WSA.

#### LP Econ (Biosphere)

Balance unspent at beginning of year	-	200 000
Current-year receipts	216 000	-
Conditions met - transferred to revenue	(216 000)	(200 000)
	<b>-</b>	<b>-</b>

The purpose of the grant is for the implementation of man and bio-sphere programs for the conservation of nature and sustainable uses of natural resources.

#### Extended public works programme grant

Current-year receipts	1 725 000	1 943 000
Conditions met - transferred to revenue	(1 725 000)	(1 943 000)
<b>Total</b>	<b>-</b>	<b>-</b>

The purpose of the grant is to improve opportunities for sustainable employment due to experience and learning gained.

#### LGW SETA Grant

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## Mopani District Municipality

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Figures in Rand	2018	2017
<b>18. Government grants and subsidies (continued)</b>		
Current-year receipts	725 042	569 248
Conditions met - transferred to revenue	(725 042)	(569 248)
	-	-

The purpose of this grant is to support staff development.

#### Water Service Infrastructure Grant

Balance unspent at beginning of year	137 553	-
Current-year receipts	95 000 000	109 150 447
Conditions met - transferred to revenue	(58 756 710)	(109 012 894)
Roll over unapproved from 2017	(137 553)	-
	<b>36 243 290</b>	<b>137 553</b>

The purpose of this grant is to support refurbishment of infrastructure projects.

#### Sub-heading

#### 19. Employee related costs

Basic	205 213 289	173 844 736
Bonus	15 173 571	13 206 917
Medical aid - company contributions	11 140 893	10 344 503
UIF	1 452 876	1 382 570
Workman compensation	142 726	124 120
SDL	2 934 211	2 631 966
Other payroll levies	13 685 268	10 102 910
Leave pay provision charge	36 247	-
Post employments benefits	85 643	54 166
Defined contribution plans	30 449 110	26 181 390
Overtime payments	41 641 172	39 213 345
Long-service awards	812 810	658 441
Car allowance	27 542 996	17 930 831
Housing benefits and allowances	5 763 212	6 114 033
Leave redemption	2 477 462	1 659 033
Bargaining council	15 724	14 582
Cellphone allowance	22 608	39 308
Shift allowance	63 078	52 335
<b>Total</b>	<b>358 652 896</b>	<b>303 555 186</b>

#### Remuneration of municipal manager

Annual Remuneration	1 023 885	216 365
Car Allowance	317 188	111 901
Contributions to UIF, Medical and Pension Funds	235 213	38 289
<b>Total</b>	<b>1 576 286</b>	<b>366 555</b>

#### Remuneration of chief finance officer

Annual Remuneration	852 541	852 541
Car Allowance	168 000	176 895
Performance Bonuses	-	131 935
Contributions to UIF, Medical and Pension Funds	63 569	63 569

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## Mopani District Municipality

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Figures in Rand	2018	2017
<b>19. Employee related costs (continued)</b>		
<b>Total</b>	<b>1 084 110</b>	<b>1 224 940</b>
<b>Remuneration of director community services</b>		
Annual Remuneration	855	855 409
Car Allowance	143 531	252 790
Contributions to UIF, Medical and Pension Funds	143 531	205 373
Other	-	202 950
<b>Total</b>	<b>287 917</b>	<b>1 516 522</b>
<b>Remuneration of director corporate services</b>		
Annual Remuneration	214 066	1 003 622
Car Allowance	76 170	166 999
Contributions to UIF, Medical and Pension Funds	35 504	60 000
Other	187 819	40 961
<b>Total</b>	<b>513 559</b>	<b>1 271 582</b>
<b>Remuneration of director planning and development</b>		
Annual Remuneration	970 000	161 667
Car Allowance	45 429	17 564
Contributions to UIF, Medical and Pension Funds	156 690	26 079
Other	101 613	-
<b>Total</b>	<b>1 273 732</b>	<b>205 310</b>
<b>Remuneration of director engineering services</b>		
Annual Remuneration	856 262	163 473
Car Allowance	240 000	40 000
Contributions to UIF, Medical and Pension Funds	171 054	28 246
<b>Total</b>	<b>1 267 316</b>	<b>231 719</b>
<b>Remuneration of director water services</b>		
Annual Remuneration	634 632	754 374
Car Allowance	423 088	375 986
Contributions to UIF, Medical and Pension Funds	192 029	274 983
Cell	37 355	40 559
<b>Total</b>	<b>1 287 104</b>	<b>1 445 902</b>
<b>Remuneration of director office of the executive Mayor</b>		
Annual Remuneration	634 091	600 629
Car Allowance	423 629	200 210
Contributions to UIF, Medical and Pension Funds	206 981	-
Other	37 355	22 851
<b>Total</b>	<b>1 302 056</b>	<b>823 690</b>
<b>Executive Mayor's allowances</b>		
Annual Remuneration	634 091	600 629
Car Allowance	423 629	200 210

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<b>19. Employee related costs (continued)</b>		
Contributions to UIF, Medical and Pension Funds	206 981	-
Other	37 335	22 851
<b>Total</b>	<b>1 302 036</b>	<b>823 690</b>
The Executive Mayor has been provided with a Council vehicle.		
<b>Speaker's allowances</b>		
Annual Remuneration	600 135	480 502
Car Allowance	157 009	160 167
Contributions to UIF, Medical and Pension Funds	149 942	-
Other	32 800	22 851
<b>Total</b>	<b>939 886</b>	<b>663 520</b>



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#### 19. Employee related costs (continued)

##### Remuneration of councillors 2018

Councillor's Names	Salary	Cellphone Allowance	Travel Allowance	Advance/Pay back	Total
Councillor NM Maswanga	475 926	32 800	124 209	27 677	660 612
Councillor B Ramorthwala	9 286	-	-	365	9 651
Councillor CM Ramathoka	251 659	28 800	-	21 869	302 328
Councillor D Malemela	22 880	-	-	4 640	27 520
Councillor DG Mushwana	251 659	28 800	-	21 869	302 328
Councillor FM Moroatsh	322 964	28 800	-	24 665	376 429
Councillor GA Maluleke	322 964	28 800	-	24 665	376 429
Councillor GH Modjadji	475 926	28 800	124 209	31 677	660 612
Councillor GM Malatji	42 642	-	-	9 280	51 922
Councillor JG Mashele	322 964	28 800	-	24 665	376 429
Councillor KI Rapatsa	35 502	-	-	9 280	44 782
Councillor KJ Malepe	322 964	28 800	-	24 665	376 429
Councillor M Mathedimo	9 286	-	-	365	9 651
Councillor MA Mathaba	80 591	-	-	3 161	83 752
Councillor MB Maenetsa	9 286	-	-	365	9 651
Councillor MC Mohale	475 926	28 800	124 209	31 677	660 612
Councillor MC Mkwashu	35 502	-	-	9 280	44 782
Councillor MD Maake	322 964	28 800	-	24 665	376 429
Councillor MD Popela	9 286	-	-	365	9 651
Councillor MF Madike	9 286	-	-	365	9 651
Councillor MF Manyama	80 591	-	-	3 161	83 752
Councillor MH Sefusi	263 950	28 800	68 775	25 048	386 573
Councillor MI Shimange	80 591	-	-	3 161	83 752
Councillor ML Maloko	263 950	28 800	68 775	25 048	386 573
Councillor ML Mokgobi	263 950	28 800	68 775	25 048	386 573
Councillor MM Makwala	35 850	-	-	6 960	42 810
Councillor MMA Mathebu	9 286	-	-	365	9 651
Councillor MO Maswanga	263 950	28 800	68 775	25 048	386 573
Councillor MR Chauke	251 659	28 800	-	21 869	302 328
Councillor MR Maake	9 286	-	-	365	9 651
Councillor MR Nyakane	251 659	28 800	-	21 869	302 328
Councillor MV Mangoro	9 286	-	-	365	9 651
Councillor NA Sono	475 926	28 800	124 209	69 934	698 869
Councillor NH Zandamel	475 926	28 800	124 209	69 934	698 869
Councillor NM Mahasha	47 278	-	-	12 528	59 806
Councillor NN Baloyi	475 926	28 800	124 209	69 934	698 869
Councillor Osi LP Rapha	14 380	-	4 793	-	19 173
Councillor Osi ML Mogob	29 333	3 388	6 391	1 535	40 647
Councillor Osi SSS Seko	29 333	3 388	6 391	1 535	40 647
Councillor Osigad MJ	29 333	3 388	6 391	1 535	40 647
Councillor Osigad MJ Se	29 333	3 388	6 391	1 535	40 647
Councillor PT Malatji	322 964	28 800	-	24 665	376 429
Councillor R Makasela	9 286	-	-	365	9 651
Councillor RE Pohl	29 556	-	-	8 352	37 908
Councillor SCT Shising	31 828	-	-	6 496	38 324
Councillor S EJ Mathons	475 926	28 800	124 209	31 677	660 612
Councillor S MA Helm	251 659	28 800	-	21 869	302 328
Councillor S MM Makwela	26 844	-	-	5 568	32 412
Councillor SC Makwala	20 724	-	-	5 568	26 292
Councillor SI M Ntsanwi	22 143	3 388	3 994	1 535	31 060
Councillor SI MAM Hlane	29 333	3 388	6 391	1 535	40 647
Councillor SI MC Mathev	29 333	3 388	6 391	1 535	40 647
Councillor SI TLP Nwami	29 333	3 388	6 391	1 535	40 647
Councillor SJ Nkuna	322 964	28 800	-	24 665	376 429



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				2018	2017
19. Employee related costs (continued)					
Councillor SV Manganye	9 286	-	-	365	9 651
Councillor T Makhubela	9 286	-	-	365	9 651
Councillor TC Zitha	9 286	-	-	365	9 651
Councillor TJ Senyolo	9 286	-	-	365	9 651
Councillor TN Mthomben	9 286	-	-	365	9 651
Councillor W D Sedibeng	507 654	32 800	132 489	28 988	701 931
Councillor XJ Valoyi	9 286	-	-	365	9 651
Councillor CN Rakgoale	634 568	32 800	165 611	34 235	867 214
Councillor Osigad MA SH	29 333	3 388	6 391	1 535	40 647
	<b>10 029 403</b>	<b>762 492</b>	<b>1 502 578</b>	<b>884 650</b>	<b>13 179 123</b>

#### Remuneration per councillor - 2017

Names	Salary	Cellphone Allowance	Travel Allowance	Advance/Back pay	Total
Councillor CN Rakgoale	491 913	22 851	200 210	-	714 974
Councillor WD Sedibene	393 529	22 851	160 167	-	576 547
Councillor NM Maswanganyi	368 935	19 373	122 978	53 989	565 275
Councillor MC Mohale	368 935	17 873	129 999	53 989	570 796
Councillor MH Sefufi	220 381	17 873	133 047	53 989	425 290
Councillor ML Maloko	220 382	17 873	136 613	53 989	428 857
Councillor EJ Mathonsi	368 935	17 873	129 500	53 989	570 297
Councillor MO Maswanganyi	220 382	17 873	137 652	53 989	429 896
Councillor ML Mokgobi	220 382	17 873	-	53 989	292 244
Councillor NN Baloyi	352 429	17 873	129 999	37 740	538 041
Councillor NH Zandamela	352 429	17 873	143 194	23 751	537 247
Councillor NA Sono	352 429	17 873	125 400	24 268	519 970
Councillor GH Modjadji	75 263	17 873	136 174	304 970	534 280
Councillor KJ Malepe	203 954	17 873	98 920	46 007	366 754
Councillor PT Malatji	203 954	17 873	72 165	46 007	339 999
Councillor SJ Nkuna	203 954	17 873	107 656	46 007	375 490
Councillor MA Helm	165 472	17 873	34 597	39 886	257 828
Councillor MR Nyakane	165 472	17 873	34 597	39 886	257 828
Councillor BT Matheula	44 482	5 217	27 881	36 723	114 303
Councillor CM Ramathoka	165 472	17 873	60 079	39 886	283 310
Councillor MR Chauke	165 472	17 873	42 148	39 886	265 379
Councillor MQ Mashatola	21 677	2 301	9 592	2 367	35 937
Councillor JG Mashele	203 954	-	50 584	43 094	297 632
Councillor GA Maluleke	203 954	17 873	59 865	46 007	327 699
Councillor Moroatshehla	203 954	17 873	75 945	46 007	343 779
Councillor MD Maake	203 954	17 873	103 468	46 007	371 302
Councillor MC Mkhwashu	25 974	-	14 770	2 397	43 141
Councillor KI Rapatsa	29 822	-	19 936	2 397	52 155
Councillor Mahasha NM	25 974	-	27 763	2 397	56 134
Councillor D Malemela	23 088	-	47 827	2 397	73 312
Councillor CT Shisinga	16 354	-	19 856	2 397	38 607
Councillor RE Pohl	16 354	-	12 610	2 397	31 361
Councillor MM Makwala	22 126	-	37 316	2 397	61 839
Councillor SC Makwala	16 354	-	33 447	2 397	52 198
Councillor GM Malatji	25 974	-	34 737	2 397	63 108
Councillor MF Madike	7 383	-	32 484	3 175	43 042
Councillor MA Mathaba	44 954	-	7 914	18 199	71 067
Councillor MD Popela	7 383	-	23 224	6 088	36 695
Councillor R Makasela	7 383	-	43 284	6 088	56 755
Councillor MMA Mathebula	7 383	-	43 240	6 088	56 711
Councillor B Ramothwala	7 383	-	55 478	6 088	68 949
Councillor TN Mthobeni	7 383	-	45 746	6 088	59 217
Councillor XJ Valoyi	7 383	-	29 754	6 088	43 225

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### Notes to the Annual Financial Statements

Figures in Rand		2018	2017
<b>19. Employee related costs (continued)</b>			
Councillor FMI Shimange	44 954	-	78 751
Councillor TC Zitha	7 383	-	30 863
Councillor T Makhubela	7 383	-	21 676
Councillor SV Manganye	7 383	-	10 545
Councillor MB Maenetsa	7 383	-	20 454
Councillor MR Maake	7 383	-	21 750
Councillor MV Mangoro	7 383	-	36 435
Councillor MF Manyama	44 954	-	44 940
Councillor MB Mathedimosa	7 383	-	52 736
Councillor TJ Senyolo	7 383	-	3 802
Councillor MJ Sekgopo	23 966	-	28 308
Councillor MM Makwela	16 354	-	-
Councillor I SSS Sekor	23 966	-	-
Councillor I ML Mogobo	23 966	-	-
Councillor I LP Raphah	23 966	-	-
Councillor IGAD MJ Mam	23 966	-	-
Councillor I SG Malatji	14 379	-	-
Councillor TLP Nwamit	23 966	-	-
Councillor IGAD Ma Sha	23 966	-	-
Councillor Mam Hlaneke	23 966	-	-
Councillor MC Mathevu	23 966	-	-
Councillor G Mushwana	114 924	-	-
Resigned Councillors	1 054 291	-	-
	<b>8 025 318</b>	<b>430 053</b>	<b>3 342 076</b>
		<b>1 444 646</b>	<b>13 242 093</b>
<b>20. Depreciation and amortisation</b>			
Property, plant and equipment		177 891 381	225 786 592
Intangible assets		-	980 617
		<b>177 891 381</b>	<b>226 767 209</b>
<b>21. Finance costs</b>			
Interest Paid		225 612	214 110
<b>22. Debt impairment</b>			
Debt impairment		65 967 708	56 090 683
<b>23. Bulk purchases</b>			
Water		288 788 797	313 206 196
<b>24. Contracted services</b>			
Information Technology Services		18 837 525	38 184 902
Fleet Services		4 912 895	-
Operating Leases		11 929 582	2 841 230
Security Services		25 395 845	6 742 362
Other Contractors		6 087 261	14 781 318
		<b>67 163 108</b>	<b>62 549 812</b>
<b>25. General expenses</b>			

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>25. General expenses (continued)</b>		
Advertising	460 207	14 931 686
Auditors remuneration	2 029 319	3 890 681
Bank charges	164 311	142 436
Consulting and professional fees	12 741 648	43 152 533
Entertainment	-	4 305
Insurance	718 016	424 373
Conferences and seminars	392 672	548 713
Motor vehicle expenses	583 588	104 364
Fuel and oil	1 907 077	5 787 886
Postage and courier	1 778	4 261
Protective clothing	179 690	149 868
Secretarial fees	-	141 290
Software expenses	635 616	48 509
Subscriptions and membership fees	365 339	376 727
Telephone and fax	4 001 464	2 718 345
Travel - local	18 755 157	16 619 059
Electricity	422 607	519 122
Assets written off	7 742 116	-
Audit Committee Allowance	1 378 556	2 760 107
Disaster Relief Fund	539 226	209 400
Imbizo	2 524 725	2 344 025
Forensic Audit	-	856 168
Development of road assets management	3 718 845	-
Performance Management	501 758	16 046 975
Stores and Material	10 777 912	10 245 118
Chemicals	6 791 422	7 182 553
Other expenses	86 117 971	178 499 568
	<b>163 451 020</b>	<b>307 708 072</b>
<b>26. Auditors' remuneration</b>		
Fees	2 029 319	3 890 681
<b>27. Cash generated from operations</b>		
Surplus	253 981 302	45 973 360
<b>Adjustments for:</b>		
Depreciation and amortisation	177 891 381	171 751 370
Gain on sale of assets and liabilities	34 046 926	-
Debt impairment	63 720 973	56 580 736
Bad debts written off	11 364 593	-
Movements in operating lease assets and accruals	(6 813 967)	-
Movements in provisions	7 479 355	5 321 802
Water and sanitation transactions	(136 501 745)	(47 296 644)
Benefit vesting	(1 865 694)	-
Interest cost	6 538 278	-
Current service costs	3 624 362	-
<b>Changes in working capital:</b>		
Inventories	581 515	40 386 188
Receivables from exchange transactions	(22 474 439)	(52 473 085)
Consumer debtors	28 981 972	(9 153 433)
Payables from exchange transactions	123 918 581	262 893 633
VAT	(18 840 477)	12 758 355
Unspent conditional grants and receipts	61 068 366	(74 212 262)
Consumer deposits	311 870	(2 324 225)
	<b>587 013 152</b>	<b>410 205 795</b>

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>28. Commitments</b>		
<b>Authorised capital expenditure</b>		
Already contracted for but not provided for		
• Property, plant and equipment	523 545 476	371 312 018
Not yet contracted for and authorised by accounting officer		
• Purchase orders	-	12 765 281
<b>Total capital commitments</b>		
Capital commitments	523 545 476	371 312 018
Operational commitments	-	12 765 281
	<b>523 545 476</b>	<b>384 077 299</b>

This committed expenditure relates to property and operational activities and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

### 29. Contingent liabilities

Litigations are in process against the municipality relating to a number of disputes. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Pending Legal cases:	30 June 2018	30 June 2017
		R882 360
1. The matter involves a service provider who did not honour his obligation to the supplier of materials in terms of a cession agreement between Flotek MDM and the contractor	R571 957.26	
2. The plaintiff is suing the MDM for the injury she sustained allegedly at a MDM sewage manhole in Manhole in Modjadjiskloof	R950 000	R2 000 000
3. The plaintiff is suing the MDM as a result of motor vehicle collision involving an MDM employee.	R27 700.68	R150 000
4. The plaintiff is suing the MDM for awarding the tender to a JV which did not qualify, namely: Base Measure: Tlong Re Yeng JV was a CIDB Grade 8 company and the tender required Grade 9 company.	R10 000 000.	R10 000 000
5. The plaintiff is suing MDM for failing to honour its financial obligations - cession.	R1 680 499.05	R2 000 000
6. The plaintiff is suing the MDM for failure to prevent a veld fire.	R4 685 140.00	R5 000 000

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
29. Contingent liabilities (continued)		
7. Plaintiff has issued simple summonses for the services rendered as a Sub Contractor at Nandoni pipeline project.	R939 641.11	R939 341
8. Plaintiff is claiming money as per the cession agreement.	R2 183 902.58	R2 200 000
9. Car accident: Plaintiff's motor vehicle hit a pothole and it was involved in an accident in Modjadiskloof & G-Kgapane road. As a result the plaintiff suffered a right leg fracture injury. The plaintiff alleged that the accident was solely caused by the negligence of the Defendants (GLM & MDM).	R3 500 000	R
10. The plaintiff is suing the MDM for been involved in a motor vehicle accident with an employee of the MDM. The plaintiff alleges that the accident was solely caused by the negligence of the MDM.	R37 384.18	R150 000
11. The Plaintiff is suing the MDM for failing to pay the Water Use Licence holder. In terms of the law the MDM must pay the water use charges as a holder of the licence.	R175 645 917.12	R175 645 917.12
12. An application for an order to pay for work allegedly done. Technical report on Sefofotse to Ditshosane/Ramahlatse Bulk and Reticulation (Bellevue, Sefpftse, Maupa, Jamela, Mohlabaneng, Lebaka, Shawela, Ditshosane and Maphalle)	R29 730 283.66	
13. Civil - contract: termination of contract for the building of Offices in Tzaneen.	R43 611 996.70	
14. Non-payment, a claim on the basis of a disputed invoice in the amount of:	R931 520.58	
15. A claim payment as a result of a cession in the amount of:	R231 361.02	
16. A claim for work done. The case is still pending	R4 500 135.99.	
17. The plaintiff is suing the MDM as a result of motor vehicle collision involving the MDM employee. The claim against the municipality is amounts to:		R23 262.61
18. The plaintiff is suing MDM for cancelling the contract to build and office building in Tzaneen disaster center. The case is pending.		R1 900 000

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Figures in Rand	2018	2017
<b>29. Contingent liabilities (continued)</b>		
19. The plaintiff is suing the MDM for failing to honour its financial obligations cession	R2 000 000	
20. The matter involves an interdict: Stopping the implementation of the Kampersrus Sewer reticulation line Phase	R36 000 000	
21. The plaintiff is suing MDM for services rendered in respect of the installation of boreholes and transformers in Giyani area.	R413 900	
22. The plaintiff is claiming money for the services rendered under a sub-contract agreement during the construction of the Nandoni pipeline	R1 407 656	
23. The plaintiff is suing the MDM for failing to honour its financial obligations. Limpopo Water Initiative is running a plant in Ba-Phalaborwa under a service level Agreement with the municipality	R54 000 000	
24. The plaintiff served the municipality with a letter of demand for an amount of on the Namakgale Sewage Works DM/2010/001. discussions held on the 1st June 2017 with the contractor and Engineering to resolve the matter	R11 499 509	
25. A claim is based on a cession between Tainama JV Civico on the Tours Bulk Water supply project	R963 647	
26. The contractor is suing the MDM for cancellation of the contract to build an office building at the disaster management centre based in Tzaneen	R14 140 976	
<b>Total</b>	<b>R283,727,575.92</b>	
<b>Contingent Assets</b>		
1. The MDM is suing the service provider for fraudulently claiming money which was not due to them. The company was appointed to build 150 units of VIP Toilets. The company only built 15 out of that number and claimed the entire payment. The MDM is now suing the company for misrepresentation done.	R1 080 000	R1 080 000
2. The municipality is suing the contractor and contractor is suing the MDM for cancellation of the contract to build an office building at the Disaster Management Centre based in Tzaneen.	R14,140,976.84	R30 000 000

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#### 29. Contingent liabilities (continued)

3. The MDM has launched an application to review and set aside its own decision to appoint the service provider. The service provider was appointed to render consultancy services at Extensions of Modjadjiskloof water works in Greater Letaba Municipality MDM want to declare this appointment null and void, Unconstitutional and Invalid.

R2 185 000

R650 000

Total

17,405,976.84

#### 30. Related parties

##### Relationships

Accounting Officer

Councillors

Refer to accounting officer's report note

Refer to disclosure note on remuneration of councillors

Members of key management

Refer to disclosure note on remuneration of senior management

The municipality as a water distribution authority has appointed the five local municipalities to distribute water to local residences as distribution agent for which the local municipalities are entitled to a commission for service rendered. The municipalities accounts receivables and payables relating to water transactions are disclosed under separate section of the annual financial statements. Refer to disclosure note for Trade receivables and Trade payables for full details.

#### 31. Prior period errors

##### Description of prior period error

DR

CR

1. During the year it was noted that some projects that some projects were incorrectly expensed, these projects were subsequently capitalised in the current year.

The effect of the adjustment is as follows

Property, plant & Equipment  
9,372,828

Accumulated Surplus  
9,372,828

2. It was noted that some of the completed projects were incorrectly not capitalised, these projects were subsequently capitalised in the current year.

The reclassification was as follows;

Work in Progress  
20,047,005

Infrastructure Assets  
20,047,005

3. It was noted that some of the repairs and maintenance expenditure was incorrectly classified as work in progress, resulting in an overstatement in PPE and understatement in expenditure

Accumulated Surplus  
5,247,642

Property, Plant and Equipment  
5,247,642

4. It was noted that in the current year that some water assets not within the municipal jurisdiction were incorrectly capitalised, resulting in an overstatement in PPE.

The entry was corrected as follows

Accumulated Surplus  
35,052,540  
Accumulated depreciation  
16,112,616

Property, Plant and Equipment  
51,165,157



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## Mopani District Municipality

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Figures in Rand	2018	2017
<b>31. Prior period errors (continued)</b>		
5. It was noted that PPE was overstated due to some assets which were incorrectly capitalised; The entry was corrected as follows	Accumulated Depreciation 6,953,518	Accumulated Surplus 4,639,274 Property, plant and Equipment 11,592,793
6. It was noted that VAT was incorrectly accounted for and understated for. The entry was corrected as follows:	VAT Receivables 34,215,473	Accumulated Surplus 34,215,473
7. We noted that the prior year creditors schedule did not agree to the creditors balance as per trial balance which resulted in an understatement in payables;	Accumulated Surplus 112,616,172	Payables from exchange transactions 112,616,172
8. We noted that some of the projects were incorrectly expensed and not capitalised, resulting in an a overstatement in expenditure and understatement in PPE:	Property, plant and equipment 2 671 800	Accumulated surplus 2 671 800
9. It was noted that the prior year payments for staff debtors were incorrectly credited to the suspense account and not the staff debtors account resulting in an understatement in the salary suspense account and an overstatement in receivables.	Accumulated Surplus 12 719	Receivables from exchange transactions 12 719
10. We noted that the transactions for infrastructure water were incorrectly debited to assets under construction, resulting in an overstatement in PPE and understatement in expenditure	Accumulated Surplus 3,445,000	Property, plant and equipment 3,445,000
11. We noted that some of the staff debtors continued to be received even after the debt was fully settled, resulting in an understatement in receivables and an overstatement in employee related costs.	Accumulated surplus 1,607	Receivables from exchange transactions 1,607
12. It was noted that the Maruleng landfill site was omitted from the trial balance in the prior year, resulting in an understatement in PPE and understatement in expenditure:	Property, Plant and Equipment 2,803,844	Accumulated Surplus 2,615,722 Accumulated depreciation 188,122
13. It was noted that some infrastructure assets were incorrectly not capitalised even though the construction was completed in the prior year.	Property, Plant and Equipment 3,529,843	Accumulated Surplus 3,529,843
14. We noted that VAT was incorrectly claimed in the prior year even though it is not recoverable form SARS, resulting in overstatement in VAT:	Accumulated Surplus 69,824,733	Vat receivables 69,824,733
15. We noted that Vat was incorrectly accounted for in some of the prior year invoices resulting in an understatement of	Vat receivables 1,420,578	Accumulated Surplus 1,420,578
16. An audit finding raised in the prior period noted that there were differences between the trial balance, general ledger and financial statements. The adjustment was only corrected in the prior year as follows:	Accumulated Surplus 15,594,645	Payables from exchange transactions 15,594,645



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#### 31. Prior period errors (continued)

17. We noted that some of the entries in the accruals listing were not noted in the general ledger which resulted in an understatement of trade payables.	Accumulated Surplus 10,303,320	Payables from exchange transactions 10,303,320
18. Interest on call account was incorrectly accounted for, resulting in an understatement in receivables and interest received.	Receivables from exchange transactions 99,838	Accumulated Surplus 99,838
19. A bank account was omitted from record resulting in an understatement of cash and cash equivalents.	Cash and cash equivalents 8,545	Accumulated Surplus 8,545
20. We noted that intermunicipal water transactions were incorrectly accounted for, resulting in a decrease in consumer deposits.	Accumulated Surplus 10,549,332	Consumer debtors 10,549,322
21. We noted that intermunicipal water transactions were incorrectly accounted for, resulting in an overstatement in receivables and payable.	Payables from exchange transactions 337,442	Accumulated Surplus 976.13 Consumer debtors 336,446
22. We noted that service fees due to Maruleng was incorrectly mapped which resulted in an understatement in payables.	Accumulated Surplus 174,665	Payables from exchange transactions 174,665
23. It was noted that inter-municipal accounts were incorrectly accounted for and the error was accounted for as follows:	Accumulated Surplus 233,284	Payables from exchange transactions 233,284
24. We noticed that indigent debtors were incorrectly accounted for, resulting in an understatement of in debt impairment. The error was accounted for as follows	Accumulated Surplus 1,330,429	Consumer Debtors 1,330,429
25. It was discovered that water inventory bought by Ba-Phalaborwa and ceded to Mopani, was incorrectly accounted for	Accumulated Surplus 3,836,449	Payables from exchange transactions 3,836,449
26. It was noted that some project were not capitalised. The error was corrected as follows:	PPE Infrastructure 182,275,436 Accumulated Surplus 6,451,029	PPE Work In Progress 182,275,463 Accumulated Depreciation 6,451,029
27. Boreholes were supposed to be written off in the prior year, but entry was omitted, the error was corrected as follows:	Accumulated Surplus 11,573,561 Accumulated Depreciation 12,805,937	PPE Infrastructure 24,379,498
28. We noted that some of the expenses were not posted to accumulated surplus by the system in the prior year, but treated as balance sheet votes, the reclassification was done as follows:	Accumulated Surplus 1,111,061	General expenses 1,105,060 Contracted Services 6,001.23
29. Debt impairment was incorrectly overstated in the prior year:	Consumer debtors 1,820,482	Accumulated Surplus 1,820,482

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## Mopani District Municipality

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### Notes to the Annual Financial Statements

Figures in Rand 2018 2017

#### 31. Prior period errors (continued)

30. it was discovered that depreciation was incorrectly accounted for: Accumulated surplus 89 683 Accumulated depreciation 89 683

The correction of the error(s) results in adjustments as follows:

<b>Statement of financial position</b>		
Increase in Property, plant and equipment	(48 218 854)	-
Decrease in Vat receivable	(33 648 681)	-
Increase in receivables from exchange transactions	(3 750 936)	-
Increase in payables in exchange transactions	(138 409 979)	-
Increase in cash and cash equivalents	8 545	-
Decrease in consumer debtors	(10 570 410)	-
Decrease in accumulated surplus	234 590 316	-
	<b>1</b>	<b>-</b>

<b>Statement of financial performance</b>		
Increase in general expenses	172 327 962	-
Increase in repairs and maintenance	(6 796 986)	-
Decrease in depreciation	55 015 839	-
Increase in employee related costs	14 326	-
Increase in interest on investments	(99 838)	-
Increase in debt impairment	(490 053)	-
Increase in bulk water purchases	14 619 065	-
<b>Net decrease in accumulated surplus</b>	<b>234 590 315</b>	<b>-</b>

#### Statement of financial position

Current Assets	Balance Previously Reported	Prior period adjustments	Restated Balance
Vat receivable	119 537 056	(33 648 681)	85 888 375
Receivable from exchange transactions	197 953 417	(3 750 936)	194 202 480
Cash and cash equivalents	7 752 471	8 545	7 761 016
Consumer debtors	176 294 968	(10 570 410)	165 724 558
<b>Total current assets</b>	<b>501 537 912</b>	<b>(47 961 483)</b>	<b>453 576 429</b>

<b>Non current assets</b>			
Property, plant and equipment	4,948,014,790	(48,218,854)	4,899,795,936
	<b>4,948,014,790</b>	<b>(48,218,854)</b>	<b>4,899,795,936</b>

<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	1,333,043,885	138,409,979	1,471,453,864
<b>Total current liabilities</b>	<b>1,333,043,885</b>	<b>138,409,979</b>	<b>1,471,453,864</b>

<b>Accumulated surplus</b>	<b>3,989,739,359</b>	<b>(234 590 316)</b>	<b>3,755 149 042</b>
<b>Net assets</b>	<b>3,989,739,359</b>	<b>(234 590 316)</b>	<b>3,755, 149 042</b>

#### Statement of financial performance as at 30 June 2017

<b>Revenue</b>			
Revenue from exchange transactions			
Interest received - investment	7,028,526	99,838	7,128,364

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## Mopani District Municipality

(Registration number DC33)

Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>31. Prior period errors (continued)</b>		
<b>Total Revenue</b>	<b>7 02 8526</b>	<b>99,838</b>
<b>Expenditure</b>		
Employee related costs	(321,188,887)	(14,326)
Depreciation and amortisation	(171,751,370)	(55,015,839)
Debt Impairment	(56,580,736)	490,053
General expenses	(116,205,665)	(172 327 962)
Repairs and maintenance	(86,967,367)	6 796 985
Bulk water purchases	(298 587 131)	(14 619 065)
<b>Total expenditure</b>	<b>(1 051 281 156)</b>	<b>(234 690 154)</b>
<b>Effect on accumulated surplus</b>	<b>(1 044 252 630)</b>	<b>(234 590 317)</b>

### 32. Going concern

We draw attention to the fact that at 30 June 2018, the municipality had an accumulated surplus of 3 887 232 163 and that the municipality's total assets exceed liabilities by 3 887 232 163.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to secure funding for the ongoing operations for the municipality.

As at 30 June 2018, the municipality's current assets exceeds current liabilities by R 3,890,530,823.

a) The municipality is experiencing challenges of collecting own revenue from water and sanitation. This is due to weakness in controls involving management of revenue at the local municipalities since the latter are service providers and the district is the service authority.

b) The municipality is service significant historic obligations that do not necessarily have source of funding other than the funding from National Treasury. These obligations include Lepelle Northern Water estimated at R540 million, Department of Water Affairs estimated at R320 million, as well as litigations and claims that come on an ad hoc basis. These litigations and claims can easily cost the municipality over R100 million per annum.

c) There is a need to relook into the municipality's obligations against its resources as the situation currently is not sustainable.

d) The municipality invests a significant amount of resources in the water and sanitation infrastructure with little if any return. This is as the municipality spend a full calendar year without a cent being received from water and sanitation consumers.

e) More often than not, MIG funding transfer for committed projects from National Treasury gets delayed putting more pressure on the liquidity of the municipality.

f) There is also a significant portion of payments for infrastructure projects funded through own funding outside budgets as most of the payments are made to avoid litigations.

Even though the current liabilities exceed the current assets the municipality is a going concern because of the following reasons:

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## Mopani District Municipality

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### Notes to the Annual Financial Statements

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#### 32. Going concern (continued)

a) There is a commitment from National Treasury to fund the operations of the municipality through equitable share and conditional grants. This is substantiated by past practice and gazettes issued by National Treasury for the MTREF period under consideration.

b) There is no change in the legislation that impact on the municipality's ability to continue as a going concern;

c) There is plans to ensure that there is effective spending of funds.

d) There are repayment arrangements in place to defer significant portions of the trade payables of Lepelle Northern Water and Department of Water Affairs to future years to allow for liquidity and solvency.

(e) The municipality is taking consideration over water and sanitation function with the aim of maximising revenue collection and recovery of debtors, the monies which will be utilised to pay creditors with speed and return to good liquidity and solvency positions.

#### 33. Unauthorised expenditure

Opening balance	198 991 315	159 154 582
Current year	201 778 216	39 836 733
	-	-
Unauthorised expenditure awaiting condonement	400 769 531	198 991 315

Unauthorised expenditure increased due to the significant difference between the budgeted and actual subsistence allowances, medical aid and stores and materials figures.

#### 34. Fruitless and wasteful expenditure

Opening balance	166 015 978	165 834 771
Current year	17 885 948	181 207
	-	-
Fruitless and Wasteful Expenditure awaiting condonement	183 901 926	166 015 978

The fruitless and wasteful expenditure relates to incorrect allocation of late payments and vat incorrectly recorded.

#### 35. Irregular expenditure

Opening balance	186 332 521	169 214 083
Add: Irregular Expenditure - current year	10 664 876	17 118 438
Irregular Expenditure awaiting condonement	196 997 397	186 332 521

#### 36. Additional disclosure in terms of Municipal Finance Management Act

##### Distribution Losses

Sales (kl) Total	49 760 250	103 561 681
Purchases (kl) Total	29 283 992	50 785 366
Percentage water losses at the plants (%)	69	66

##### Audit fees

Fees	2 029 319	3 890 681
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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>36. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
<b>PAYE and UIF</b>		
Current year subscription / fee	53 536 466	40 000 000
Amount paid - current year	(57 937 157)	(47 888 000)
Amount paid - previous years	4 400 691	7 888 000
	<u>-</u>	<u>-</u>
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	6 722 076	9 596 000
Amount paid - current year	6 722 076	(36 450 000)
	<u>13 444 152</u>	<u>(26 854 000)</u>
<b>VAT</b>		
VAT receivable	104 728 852	85 888 375

All VAT returns have been submitted by the due date throughout the year.

### 37. Deviation from supply chain management regulations

In terms of Section 36 of the Municipal Supply Chain Management Regulations, any deviation from the supply chain management policy needs to be approved/condoned by the Municipal Manager. The total deviations for the quarter amounted to R15 895 803.60 (2017: R4 328 185.75) which has been tabled to council for noting in terms of Section 36(2). Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that deviations must be included as a note to the financial statements Major deviations related to emergency procurement of borehole spares and pipes in order to avoid interruption of essential service (Water Supply).

The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations.

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## Mopani District Municipality

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### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>38. Provision on Landfill Site</b>		
	<b>2018</b>	<b>2017</b>
Opening balance	11 971 993	11 695 215
Current year movement	6 128 788	276 768
Closing Balance	<u>18 100 781</u>	<u>11 971 983</u>

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2017 is as follows:

#### Statement of financial position

Management do not have sufficient records relating to interest capitalised on plant and equipment to enable retrospective expensing of borrowing cost. For this reason the change in accounting policy is applied prospectively.

[If retrospective application is impracticable for a particular prior period, or for periods before those presented, disclose the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.]

The municipality has not applied the new [name the standard or interpretation] issued, and effective for periods commencing . [Describe the new required treatment and the current treatment.] The estimated impact of the implementation of the new standard on the 2018 annual financial statements is as follows:

#### 39. Asset Held for Sale

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

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

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

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

#### 40. Finance lease obligation

##### Minimum lease payments due

- within one year	3 350 422	-
- in second to fifth year inclusive	5 584 037	-

	8 934 459	-
less: future finance charges	(1 897 021)	-

<b>Present value of minimum lease payments</b>	<b><u>7 037 438</u></b>	<b>-</b>
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##### Present value of minimum lease payments due

- within one year	2 251 500	-
- in second to fifth year inclusive	4 785 938	-

	<b><u>7 037 438</u></b>	<b>-</b>
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It is municipality has leased printing machines under a finance lease, effective from 28 February 2018

The average lease term is 3 years and the average effective borrowing rate is 18.2% per annum



# APPENDICES

## Mopani District Municipality

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#### 40. Finance lease obligation (continued)

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

#### 41. Risk management

##### Financial risk management

The Mopani District Municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a risk management committee under policies approved by the accounting officer. Municipality risk committee identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

##### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.]

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprises mainly of water and sanitation customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2018	2017
Receivable from non exchange transactions	228 041 494	194 202 462
Call account deposit	131 303 661	7 761 017

The municipality invested in a call account at an interest rate of 6% per annum for financial period 2018..

##### Market risk

##### Interest rate risk

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## Mopani District Municipality

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Annual Financial Statements for the year ended 30 June 2018

### Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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#### 41. Risk management (continued)

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on municipality and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer receivables comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of an allowance for impairment

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable.

#### 42. Budget differences

##### Material differences between budget and actual amounts

There were material differences between the final budget and the actual amounts. The reasons were shown in the statement of comparison budget and actual amounts.

##### Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The annual financial statements for the whole-of-government are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements are consolidated statements that include all controlled entities, including government business enterprises for the fiscal period from 2017/07/01 to 2018/06/30. The annual financial statements differ from the budget, which is approved on the cash basis and which deals only with the general government sector that excludes government business enterprises and certain other non-market government entities and activities.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the annual financial statements for timing differences associated with the continuing appropriation and differences in the entities covered (government business enterprises) were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the following table.